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Latin America Report

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INTER-AMERICAN AFFAIRS

CANADIAN AID PROGRAM FOR CARIBBEAN OUTLINED

Port-of-Spain SUNDAY EXPRESS in English 16 Feb 86 p 3

[Text] CANADA has formally announced its own version of the U.S. Caribbean Basin Initiative (CBI), known as CARIBCAN.

According to Canada's Secretary of State for External Affairs Joe Clark, the main feature of CARIBCAN is the extension of preferential, one-way, duty-free trade, with a limited number of exceptions, to imports from the Commonwealth Caribbean.

Clark, who made the announcement on Thursday, outlined the following measures:

● Duty-free access to the Canadian market will be provided for 99.8 per cent of current Commonwealth Caribbean imports. Imports from Trinidad and Tobago, Anguilla, Antigua and Barbuda, Bahamas, Bermuda, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Monsterrat, St Christopher-Nevis, St Lucia, St Vincent and the Grenadines and the Turks and the Caicos Islands will be eligible.

In addition, duty-free access will cover a wide range of goods which may not currently be exported from, or manufactured in the Commonwealth Caribbean.

● Duty-free access will apply to all goods with the exception of products for which it has been determined, following extensive consultations with Canadian industry, that free entry would adversely affect certain sensitive economic sectors in Canada.

Therefore textiles, clothing, footwear, luggage, handbags, leather garments, lubricating oils and methanol imports from the Commonwealth Caribbean will continue to be subject to established preferential rates of duty for these products under the General Preferential Tariff or the British Preferential Tariff, where these preferential rates exist.

● The Minister of Finance will introduce legislation which will permit the programme to be implemented by mid-1986.

● An outline of the major provisions of CARIBCAN duty-free trade has been prepared and is aavailable for distribution.

In addition to the provisions of duty-free access, arrangements will be made to resolve the problems faced by Caribbean rum producers on labelling and bottling in Canada, as well as improved access to the Canadian market.

Clark added that a programme to strenghten the exporting capabilities of the region will be established under CARIBCAN with particular emphasis on the Canadian market. This programme will include seminars for Caribbean diplomatic and commercial personnel which will focus on ways and means of developing markets.

CARIBCAN will also provide training assistance by making availabale through the Canadian International Development Agency, at least 50 new scholarships for the region.

/12851
CSO: 3298/332

BRAZILIAN REPLACES ARGENTINE AS CHIEF OF MARITIME GROUP

PY212117 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1615 GMT 21 Feb 86

/Text/ Buenos Aires, 21 Feb (NA)--Rear Adm Enrique Cosentino, the coordinator of the Southern Atlantic maritime area, today emphasized the importance of the agreement among the Argentine, Brazilian, Uruguayan, and Paraguayan Navies "to unswervingly develop our maritime traffic and increase the operational procedures concerning their security on the ocean during periods of crisis."

Cosentino spoke during a ceremony held at the "Libertad" building in which he relinquished his position to Brazilian Rear Adm Lysias Ruland Kerr. In addition to these two navy officers, attending the ceremony were: Defense Minister German Lopez (this is the first military ceremony he has attended since he assumed his position as defense minister); Navy Deputy Chief of Staff Maximo Rivero Kelly; Defense Secretary Horacio Jaunarena; Brazilian Ambassador to Argentina Joao Pereira de Araujo; and officers of the Argentina and Brazilian navies.

The Southern Atlantic maritime area is an organization created 21 years ago and its function in peacetime is of a political-administrative nature since it controls the maritime traffic in the area in an operation coordinated among the participating countries. The post of coordinator is a rotational 2-year term. The term of the Argentine representative has ended now and he has transferred the post to the Brazilian Navy officer.

Among the achievements recorded by the organization during the 1984-1985 period, Cosentino stated were NATO's full recognition of this organization along with the other international organizations that control naval maritime traffic. Cosentino also stated "continuous improvements in the implementation and control of naval exercises and maritime traffic show a rapid adaptation to the changes introduced, and our growing efficiency in actually controlling and monitoring maritime traffic." This ceremony, transferring the coordination of the Southern Atlantic maritime area, marked the closing of the XII meeting of Local Operations Control Commanders (COLCO), which started on 17 February with the participation of delegations from the Argentine, Brazilian, Uruguayan, and Paraguayan Navies.

/12228
CSO: 3348/441

INTER-AMERICAN AFFAIRS

BRIEFS

BRAZILIAN NAVY HEAD VISITS ARGENTINA--Buenos Aires, 2 Mar (NA)--Adm Arthur Ricart da Costa, chief of the Brazilian Navy general staff, arrived at noon today for a visit that will include a meeting with Defense Minister German Lopez and meetings with high-ranking Argentine Navy commanders. On the morning of 3 March, the Brazilian visitor will attend a ceremony marking the 129th anniversary of Adm Guillermo Brown's death and will then go to the Defense Ministry headquarters. After meeting the Argentine defense minister, he will meet high-ranking navy officers at the Libertad Building. On 4 March he will visit the Commandante Espora naval aviation base, where he will remain for 24 hours to examine the departments, units, and sections of the base, which is located near Bahia Blanca. The Brazilian Navy chief, who is also interested in the development of the shipbuilding industry, will visit the Domecq Garcia shipyards, which specialize in building submarines. The visitor will also meet Argentine Navy Chief of Staff Vice Adm Ramon Arosa and Rear Adm Roberto Pertusio, deputy chief of the Argentine Navy general staff. Pertusio, Rear Adm Maximo Riverto Kelly, diplomats, and military officers greeted the Brazilian Navy chief at Ezeiza International Airport. /Text/ /Buenos Aires NOTICIAS ARGENTINAS in Spanish 1540 GMT 2 Mar 86 PY/ 12228

CSO: 3348/441

ARGENTINA

BLOC SUPPORTS CGT-SPONSORED ECONOMIC PROGRAM

PY122134 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1535 GMT 12 Feb 86

[Text] Buenos Aires, 12 Feb (NA)--The People's Front [FP--Frented del Pueblo], which comprises the Communist Party of Argentina [PCA], the Movement Toward Socialism [MAS], and the Leftist Peronist Bloc, today expressed "its staunch support" for 26-point alternative economic program drawn up by the CGR [General Confederation of Labor], and guaranteed "its participation in the national unity congress to be opportunely convened by the working class."

Communist leader Jesus Mira expressed this support to CGT Secretary General Saul Ubaldini during a meeting they held at noon today at CGT headquarters at 802 Azopardo Street.

Also present at the meeting were Marcello Parrilli (MAS) and Eduardo Suarez (Peronist Bloc), among other FREPU leaders.

Ubaldini Alejo Farias (UOCRA) [Construction Workers Union of the Argentine Republic], Domingo Solimano (Teachers), and Patricio Dana (Butchers).

Mira, who started the talks with the unionists, emphasized "the agreement on social and economic claims" existing between the FREPU and the CGT.

For this part, Parrilli insisted that "there is basic agreement with the CGT concerning a moratorium on the foreign debt interests," adding that "this is the starting point for any economic program seeking the development of the country."

Parrilli added that "it is necessary to hold broad discussion of all the issues that will be discussed in the national unity congress" to be convened by the CGT.

For his part, Mira, upon resuming the talks on statements recently made against the CGT by government officials and even by President Raul Alfonsin himself, called statements denouncing alleged leftist infiltration in the CGT "local McCarthyism."

/12640
CSO: 3348/432

ARGENTINA

CGT OFFICIALS UNANIMOUSLY ENDORSE SOCIAL BENEFIT PLAN

PY281809 Buenos Aires BUENOS AIRES HERALD in English 27 Feb 86 p 7

/Text/ (NA-DYN)--More than 100 trade union social action secretaries unanimously approved yesterday the "Blue and White" CGT /General Confederation of Labor/ workers social benefits project in opposition to the government proposed national health insurance bill, with major differences regarding how much say labor has in running things.

CGT Secretary General Saul Ubaldini hands over the proposal today to Radical deputy bloc President Cesar Jaroslavsky and later to the other congressional caucus chairmen.

Social action secretaries from 110 out of the 128 CGT member unions signed the 39-article project repealing Law 22269 passed by the military and modifying Law 18610 in force during the previous Personist government.

It creates the Argentine Social Welfare Funds Institute (IAOS)--replacing the National Social Welfare Funds Institute (INOS)--As an "entity outside state control with its own legal, financial, and administrative organization."

IAOS will be managed by a 10-member directorate: 6 from the CGT, 2 designated by the Labor and Health ministries, 1 representing business, and the other from member funds.

The project comprises the benefit programs of national public administration personnel, some state enterprises and decentralized agencies, mixed public-private firms, and trade unions.

It also includes welfare programs for company staffs, retired workers, Buenos Aires municipality and those provinces and municipalities that choose to join.

But it excludes "military, police and security forces," and active or retired workers from provincial governments or municipal employees or pensioners in those provinces.

It would be financed by 4.5 percent contribution over total wages by employers and 3.0 percent from workers' paychecks. It also creates a special benefit fund for autonomous workers who would pay in 7.5 percent according to their category.

The retired workers PAMI /Comprehensive Medical Assistance/ welfare institute will, in the CGT plan, be administered by five representatives of retired workers and four of active workers and four of active workers appointed by the CGT.

Art 34 stipulates that the "Labor and Social Security Ministry will be empowered as supervisor and comptroller of the activities of the benefit programs, including taking legal action in the case of administrative malfeasance."

In other CGT news, the labor confederation met with Argentine political youth MOJUPO /expansion unknown/ yesterday and received overwhelming support, with the exception of the Radical Party, for its 26-point programs and accepted an invitation to attend the upcoming national unity congress.

Finally, Ubaldini quieted hopes and fears by announcing he "is not a gubernatorial candidate" for the 1987 race in Buenos Aires province.

/12228
CSO: 3300/70

ARGENTINA

BRIEFS

NEW OIL WELL DISCOVERED--Buenos Aires, 13 Feb (DYN)--According to the Government Oil Deposits [YPF], a new oil well has been opened in Loma Las Yeguas in Neuquen Province, with an initial production of 62 cubic meters per day and promising prospects for greater quantities. [Summary] [Buenos Aires DYN in Spanish 0051 GMT 14 Feb 86 PY] /12640

INDIAN ENVOY ARRIVES--Buenos Aires, 15 Feb (NA)--Ambassador Chinmay Carakham, Indian Prime Minister Rajiv Gandhi's personal envoy, today stated that the initiative taken by the so-called "Group of 6" concerning disarmament "is a step that has attained world significance," even though it is clear that "no spectacular results are to be expected in the short term." Carakham arrived at Ezeiza International Airport shortly after 1030 to participate in a meeting of the Group of 6 scheduled to be held in Argentina next Sunday. Carakham said that "we come to review what future steps should be taken to stimulate the peace-seeking initiative on the five continents," adding that "it is something for which we must work patiently and wait." The Indian envroy also praised the ties existing between Argentina and his country. He said: "We are very happy about the good relationship we have," adding that "we were very pleased to receive President Raul Alfonsin," who visited New Delhi last year. I can assure you that a very good personal relationship has been established between the Argentine chief of state and Prime Minister Gandhi," Carakham concluded. [Text] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1355 GMT 15 Feb 86] /12640

RELIGIOUS HOUSE RAIDED--La Paz, 17 Feb (EFE)--The Bolivian Interior Ministry has not yet given any official report on the raid by armed groups on religious facilities in Oruro City last week. Msgr Julio Terrazas, chairman of the Episcopal Conference and bishop of Oruro, has reported that an armed group raided the house of the Oblate priests, searching for foreigners "to take them for a walk," according to what the raiders said. Terrazas has asked government officials to identify the attackers, but has not yet received an answer. Msgr Terrazas said: "It is an unprecedented and reproachable raid on a religious house to intimidate, or to show a very strong distrust for the work of the church." The Bolivian religious authorities reproachfully asked the Interior Ministry about the raid on the house of the Oblates: "Are these armed groups acting independently of government security organizations?" [Text] [Madrid EFE in Spanish 0132 GMT 18 Feb 86] /12640

ALLEGED REPRESSION CAMPAIGN DENOUNCED--Buenos Aires, 18 Feb (TELAM)--The Argentine Communist Party [PCA] has denounced the existence of a psychological action campaign that may indicate that there is a plan to repress the just demand of the people. In a press communique, the PCA head Athos Fava noted that since the McCarthy-style speech of Doctor Raul Alfonsin in Villa Regina, a number of actions have been observed as part of a psychological campaign. Therefore, the communist leader suspects that a plan is afoot to intensify repression against just, popular demands, as well as against labor parties and organizations. [Text] [Buenos Aires TELAM in Spanish 0250 GMT 19 Feb 86] /12640

REAL WAGE STUDY REPORT--(NA)--After 2 years of steady growth, real wages in the industrial sector plunged an average of 20.8 percent during 1985, said a economic research group in a study released yesterday. Despite the drop, nominal wages increased 6.45 percent last year and real wages for the private sector as a whole increased 3.3 percent during January due to a December executive decree, said the Latin American Economic Research Foundation (FIEL). The report says that real wages last year went down 29.9 percent in public administration, 25.9 percent in the construction sector, and 10 percent in state-owned businesses. Despite the overall drop in industrial wages, real wages in that sector actually increased 0.8 percent since the start of the Austral economic plan in June last year. Another study by the Labor Studies Center (CEDEL) said that real wages would have to be increased by 47 percent in order to reach their levels in December, 1983. The study by CEDEL, led by Peronist economist Carlos Holubica said that for salaries to have the same buying power that they did on average in 1964-66 and 1973-75, the minimum wage would have to be 140 australs, double the present minimum wage. /Text/ /Buenos Aires BUENOS AIRES HERALD in English 27 Feb 86 p 7/ 12228

CSO: 3300/70

BAHAMAS

INTERNATIONAL PLP DIVISIONS SURFACE IN CANDIDATE'S WITHDRAWAL

Nassau THE TRIBUNE in English 27 Jan 86 p 1

/Article by Athena Damianos: "Sinclair Outten 'not to run on PLP Ticket'"/

/Text/ **ST BARNABAS MP Sinclair Outten has informed his party's chairman by letter that he will not seek re-election under the PLP, The Tribune has been reliably informed.**

Mr Outten, one of the dissident PLPs, has been outspoken on corruption since the Commission of Inquiry report was made public in December, 1984. The report linked some of Prime Minister Lynden Pindling's closest friends and political allies to drug traffickers.

PLP chairman Sean McWeeney said today he would not discuss internal party matters "which may or may not" have taken place.

Mr Outten confirmed that he wrote to the chairman, but refused to discuss the content of the letter. It is not known whether or not he intends to quit politics, or run on an Independent ticket.

His decision to bow out of PLP frontline politics underscores the internal problems of the splintered PLP, which has enjoyed 19 years of unbroken rule. The party has been in a tailspin since disclosures of Government corruption began surfacing before the Commission.

On October 8, 1984, Sir Lynden lost more than a third of his Cabinet as part of the fall-out from the Commission and has been operating with a "streamlined" Cabinet ever since. The biggest blow came when his long-time friend, Deputy Minister and Minister of Finance Arthur Hanna, resigned. Mr Hanna said it came down to choosing between right and wrong.

Although he won't comment on it, Grant's Town MP Bradley Roberts has informed the PLP hierarchy that he will not run for the PLP if Kendal Nottage (St Agnes) is a candidate in the next elections, according to informed sources.

Nottage, a good friend of the Prime Minister's, was found by the Commission to have "fronted" for a mafia figure/drug trafficker.

During the House debate on the Commission of Inquiry report in March, 1985, Mr Outten said he still agreed with every word the Prime Minister spoke at the PLP's 1975 Convention when he dealt with public disclosures. Sir Lynden said at the time that Parliamentarians who fail to disclose their income and assets should resign. Legislation was implemented the following year.

Insp Frank Richter of the Commission of Inquiry, who did an investigation of the Pindling's finances, reported that Sir Lynden had failed to disclose certain assets on a number of occasions.

Mr McWeeney, in an unprecedented move, recently announced the names of 10 "possible, potential" candidates the PLP might field in the next general elections. Mr McWeeney made the announcement without taking the matter to the National General Council or the Candidates Committee.

Mr Outten said last week this is the first time in the history of Bahamian party politics that any valid political organization has announced "possible, potential" candidates.

"It is my view that this is to intimidate the incumbents who have spoken out of the wrongdoing of those in the PLP (condemned by the report)," he said at the time.

Mr Hanna said that the whole episode was in violation of the party's constitution.

Although Mr McWeeney denied that any of the "potential" candidates have been targeted for incumbent areas, it is understood that Dr Mathew Rose - one of the "potentials" - has been campaigning in St Barnabas.

Mr McWeeney admitted today that Dr Rose had expressed an interest in St Barnabas, along with other people.

He said he knew nothing about Sir Lynden's friend, Felix "Mailman" Bowe, campaigning in Mr Hanna's Ann's Town constituency, except rumours he has heard. He denied that Mr Bowe had expressed an interest to him or, as far as he is aware, any hierarchy member of the PLP about being the candidate for Ann's Town.

"I can categorically say that none of those persons (potentials) has expressed an interest in the constituencies held by Hanna, Christie, or Ingraham," he said.

"I absolutely, fully support him (Hanna) as the candidate for Ann's Town."

Asked if he was in favour of the re-nomination of Perry Christie for Centreville, Mr McWeeney chose not to comment.

He said that the PLP has every intention of seeing that the next elections are conducted in a fair manner. He said that the law provides for an elaborate network of people to safeguard the system. He felt that the use of voting machines at all the various polling divisions would be too costly.

Mr McWeeney would not comment on a new set of charges that have been made against Cooper's Town MP Hubert Ingraham.

Mr Ingraham was charged by the National General Council on December 19, reportedly over his 1986 Budget address and a recent speech he made before one of the Kiwanis Clubs.

The NGC has already voted to deny Mr Ingraham a nomination in the next elections because, they claim, he acted against the best interests of the party when he spoke out against corruption and the neglect of the Family Islands in Parliament.

"They have not been withdrawn," was Mr McWeeney's only comment on the new set of charges.

He said that all of the "potential" candidates have applied for nominations, but none was invited by the party to do so, contrary to a remark made by Mr Hanna. Mr Hanna is a member of the Candidates Committee.

He said that the Opposition's warning against gerrymandering is "the greatest *non sequiter* of the year."

"No one remotely suggested that there was a question of gerrymandering," he said, adding that any re-districting of constituencies has to be carried out in accordance with the Constitution.

In announcing the names of "potential" candidates, Mr McWeeney spoke of the possibility of re-districting.

He said the Opposition has to "make up their" minds what they want. He said that FNM deputy leader Cecil Wallace-Whitfield has spoken in favour of redistricting in the House.

The FNM said it could not easily dismiss Mr McWeeney's intimation that seats are to be created for the "potential" candidates.

"Any attempt by the PLP to jerrymander House of Assembly seats would only aggravate an already tense political atmosphere and bring further disrepute and shame to the country's political institutions," the FNM warned.

"We warn the Government not to prostitute our electoral system by jerrymandering. Such a move would cause further restiveness in the community and would be vigorously resisted by the Free National Movement."

/12851
CSO: 3298/333

BAHAMAS

PINDLING SIGNS LOAN REFINANCING PACT IN LONDON

Nassau THE TRIBUNE in English 6 Feb 86 p 1

[Text] PRIME MINISTER Lynden Pindling is expected to arrive in Nassau from London this evening. He is scheduled to appear before an insurance group at the Cable Beach Hotel at 8.15 am tomorrow, Bahamas Information Services said today.

"There is no information beyond that," a spokesman said.

The Cabinet Office said earlier in the week that Sir Lynden will be out of office until February 17. It has been reported that he plans to attend the Carnival in Trinidad.

Yesterday, he signed in London a US$125 million medium-term loan on behalf of the Government, BIS said.

The loan was lead managed by Amsterdam-Rotterdam NV, the Bank of Nova Scotia Group, CIBC Ltd and National Westminster Bank, PLC. There are five managers of the loan (Midland Bank PLC, National Australia Bank Ltd, Orion Royal Bank, Ltd, Svenska International Ltd and Chase Manhatten Bank and two co-managers (Bank of Credit and Foreign Commerce (Overseas) Ltd and Kansallis-Osake-Pankki). In addition, there are 11 participants. Altogether, 22 banks formed the syndicate representing 11 countries throughout the world.

This new loan is a refinancing of a $US $110 million loan signed in July, 1981.

"It was very well received in the market with the underwriters achieving a 60 per cent sell-down," BIS said.

The new terms and conditions are eight year maturity, a one year grace period and a margin of 1⅛ pa. The increased amount of the loan was provided by some of the original banks increasing their commitments and four new banks joining the syndicate. The loan will be on-lent to the Hotel Corporation of the Bahamas and "used to develop the tourist industry in the Family Islands..." BIS said.

Funds under this loan are available for draw-down as of February 21, 1986.

Sir Lynden was accompanied to the loan signing by Bahamas High Commissioner Richard Demeritte and William Allen, Governor of the Central Bank.

/12851
CSO: 3298/333

BARBADOS

BRIEFS

AGRICULTURE, INDUSTRY PROGRAMS--Barbados may get US$6 million to boost agriculture and industry over the next five years. The money is to be made available between 1987 and 1991 by the United Nations system to finance new projects for agricultural and industrial diversification and the expansion of small business. One of the main projects is to formulate a country programme, assistant administrator of the United Nations Development Programme (UNDP) Hugo Navajas-Morgro, told reporters yesterday. He said the country programme would be funded by UNDP and embody a list of development needs which go beyond the resources provided by the United Nations system. He said Barbados also stands to benefit from the Regional Programme for Latin America and the Caribbean, which is funded by UNDP. This programme, he outlined, has already helped the region in areas such as health, education, development administration, meteorology and operational hydrology. /Excerpt/ /Bridgetown DAILY NATION in English 28 Jan 86 p 1/ /12851

NEW MINISTRY OFFICIALS--The Ministry of Housing and Lands and the Ministry of Transport and Works (MTW) will have new administrative heads from tomorrow. Grey Forde, former Chief Labour Officer, has been appointed Permanent Secretary in the Ministry of Housing and Lands, where he has been acting since mid-1984. The new Permanent Secretary in the Transport and Works Ministry is former senior administrative officer, Rolph (Frankie) Jordan. Mr. Forde (56) first entered the public service in May 1951. Over the past 35 years he has worked in the magistrates' courts, the Labour Department, the Ministry of Labour and the Prime Minister's office. Mr Jordan, who was 51 in December is an old Lodge School boy and a 1957 honours graduate of the University College of the West Indies (UCWI). Mr Jordan, who has had a varied and impressive career, has worked in Jamaica, Nigeria, and with the now defunct Federal Public Service. Locally, he has worked in the Ministry of Information and Culture, and Ministry of Transport and Works. /Text/ /Bridgetown SUNDAY SUN in English 2 Feb 86 p 3/ /12851

CSO: 3298/334

BELIZE

TOLEDO DISTRICT ORGAN SAYS UDP MAY BE LOSING SUPPORT

Punta Gorda TOLEDO STAR in English 29 Dec 85 p 2

[Editorial: "The U.D.P. in Office"]

[Text] Let's start with the Toledo District. Down here, whether it is P.U.P. or U.D.P. in office, we are still struggling to make ends meet. In fact, the rural area of this District is fast becoming critical of the new Government.

The northern region seems to be blaming all their trials and tribulations on the U.D.P. In fact some are looking towards Mexico for assistance.

This newspaper has been quiet since the month of May, but before the closing of the year, it is only fitting that a critique should be made, after giving the new Government a full year to have put the Belizean House in order.

It is true that we inherited a lot of bad, a lot of debts, and a lot of corrupted methods from the past regime; but Mr Esquivel cannot continue labouring on this if he is obtain the sympathy and ultimate cooperation from the Belizean people to move this country forward out of stagnation, and into 20th century progress. The people are quite aware of what the P.U.P. was, and the dismal increase in the cost voted the P.U.P. out of office.

Now, what we want to hear is that, in addition to paying off old arrears, we are getting substantial investment into all Districts. And what we want to see is that these investments should be processed as soon as possible, so as to generate the economy of the country.

It was the new Prime Minister who said upon delivering his first press conference, that he preferred inviting investment from abroad, than borrowing money the way P.U.P. used to do.

If we will encourage investments, then let's not forget the Toledo District.

If we should speak out impartially, it would appear that the consensus of opinion is that the new U.D.P. Government has done one or two good things; but with the closing of the Libertad Sugar Factory, and the continuous unemployment and stagnant situation down in the southern region, they must move fast in order to retain the support of the majority for another Election.

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CSO: 3298/335

BELIZE

PUP HOLDS CONVENTION, ELECTS NEW CENTRAL EXECUTIVE

Rank-and-File Exclusion

Belize City THE BEACON in English 18 Jan 86 p 3

[Text] Rank and file members of the opposition People's United Party are to be excluded from the decision making process of the party convention scheduled for this weekend.

The convention has been divided into two sessions. One on Saturday at Independence Hall, limited to a few, hand-picked 'delegates' to whom the leadership slate will be revealed. Then another on Sunday at the Civic Centre, where the masses are expected to unquestioningly ratify the executive 'choices' that would already have been made by the elites at Saturday's closed shop session.

New Officers

Belize City THE BELIZE TIMES in English 26 Jan 86 pp 1, 12

[Text] Thousands of Belizean's from all six district's converged on City Centre Belize City on Sunday, January 19, 1986 to attend the National Convention of the People's United Party.

The large convention comprising delegates and party members and supporters heard a welcome address by Mr. C.L.B. Rogers, the Deputy Party Leader; and then the delegates addressed themselves to the business of the Convention.

Three resolutions to amend the party's constitution and fourteen political resolutions were approved. Articles referring to these resolutions appear elsewhere in this issue.

The Convention elected the following officers to the Central Executive:Party Leader - George Price, Deputy Party Leader -Hon. Florencio Marin; Chairman Mr. Said Musa, First Deputy Chairman - Hon.David

McKoy, 2nd Deputy Leader Mr. Carlos Diaz, Third Deputy Chairman, Mr. Glenn Godfrey; Treasurer - Mr. Ernest Staine; Campaign Manager - Mr. Ralph Fonseca; Youth Organizer - Mr. Mark Usher.

The Convention also elected to the Central Executive the Committee Chairpersons of the Central Party Committee; Mr. Carl L.B. Rogers, Chairman of the Public Relations Committee; Senator V.H. Courtenay, Chairman of the Education and Research Committee; Doctor Gregorio Garcia, Chairman of the Policy Advisory Committee; Mr. Javier Berbey Garcia, Chairman of the Fund Raising Committee and Hon. Simeon Sampson, Chairman of the Operations Committee.

The members of the new Executive took the Oath of Allegiance and gave their acceptance address. The Party Leader closed the Convention with an address as the Convention called for the resignation of the government.

The business of the Convention was prepared the previous day by the delegates at Independence Hall on Saturday.

Policies for Governing

Belize City THE BELIZE TIMES in English 26 Jan 86 p 2

[Text] The National Convention of the People's United Party, which took place in Belize City on Jan. 19, 1986, approved policies for the New Phase of the Belizean Revolution. These policies applied by a PUP government would set Belize again on the right course to development and progress.

The economic policies would have avoided the loss of revenue which has occurred by the closure of the Libertad Sugar Factory, the cancellation of the BELCAST project, the issue of import permits for food that can be grown locally and the failure to collect the right amount of stamp duty on the sale of a large tract of land sold to foreigners.

These blunders have deprived the revenue of millions of dollars which would have enabled government to pay an increase of salaries and wages.

The foreign policies would return Belize to a non-aligned status which would protect Belize from the violence of the East-West confrontation by keeping Belize free of the ideological struggle. These policies would also support the efforts for a New International Order so that developing countries might obtain better prices for their exports.

A new PUP government would defend the territorial integrity and sovereignty of Belize as non-negotiable in seeking a settlement of the Anglo Guatemalan dispute.

It would oppose and condemn Apartheid of the racist South African government. Such policies are consonant with the PUP philisophy over the years.

The policies approved by the convention support a PUP government in its defense of Belize's constitution by protecting the Civil Service, ensuring the proper use of public funds, and defending the freedoms and dignity of the Belizean citizen.

There were many promises made in the last campaign which now turn out to be false promises. They were made against the sound advice of church leaders who urged candidates to avoid making unrealistic promises. These promises have come home to roost for a government which has caused the loss of millions of dollars.

In the circumstances, the Convention had no alternative but to call on the Esquivel government to resign and call national elections.

Convention Resolutions

Belize City THE BELIZE TIMES in English 26 Jan 86 p 4

[Text] The PUP National Convention approved unanimously fourteen resolutions, which would set Belize again on the right course of development and progress. The last resolution called on the Esquivel government to resign and go to national elections. It received massive support from the Convention.

(1) The Convention expressed deepest concern for the serious state of affairs affecting the sugar industry and the economy as a whole and the human suffering resulting therefrom; and called on the government to take steps to ensure that the Libertad Factory is reopened.

(2) The Convention condemned the deplorable and short sighted action of the UDP government in cancelling the BELCAST project; and called on government to remedy this mistake by taking immediate steps to reactivate the project.

(3) The Convention called on the government to desist from its practice of issuing agricultural import perts for political motives and demanded that the Belizean farmer be afforded protection from unfair foreign competition.

(4) The Convention called on government to set up a fact finding committee, including members of the opposition, to examine all records, documents and things relating to the BEC / Bowen / Mischer / Howell Coca Cola land transaction and the development proposals arising therefrom.

(5) The Convention called on the government to revert to a non-aligned foreign policy and to resist all efforts to involve Belize in any and all internal superpower confrontations.

(6) The Convention re-affirmed the Party's support for the non-aligned countries collective efforts to establish and implement a New International Order.

(7) The Convention re-affirmed that the territorial integrity and sovereignty of Belize are non-negotiable and that the PUP be present at any talks which purport to seek a settlement to the Anglo-Guatemalan dispute.

(8) The Convention recorded its total opposition to and condemnation of Apartheid and the government of South Africa; and committed the PUP to a more active policy of urging the International Community to apply effective economic sanctions against the South African racist regime until it brings an end to this despicable policy.

(9) The Convention condemned the surreptitious destruction of the Civil Service, the violation of constitutional principle, the misuse and abuse of public funds; and called on the government to restore the Civil Service to its proper role and function.

(10) The Convention called on the government to restore forthwith the right of freedom of speech in order to ensure the continuance of democracy in Belize.

(11) The Convention condemned the denial of the freedom of speech by the government in their refusal to allow the PUP to broadcast a public affairs programme on television called "OUR TURN" and deplored the blatant interference with the judiciary and attacks made on the independence of the Courts. It expressed grave concern about ministerial violations of the Constitution which permit kidnapping of Belizean citizens and the invasion of their privacy by telephone tapping.

It called for absolute respect for the Constitutional rights and freedom of ALL BELIZEANS including (a) the right to life, liberty, security of the person and the protection of law, (b) freedom of conscience, of expression and of assembly and association and (c) protection for one's personal privacy, the privacy of his home and other property and recognition of his human-dignity.

(12) The Convention called upon the government of Belize to abandon these policies that create further unemployment and to fulfill its campaign pledge to provide a thousand new jobs for Belizeans each year.

(13) The Convention called on the government to provide for a raise of salary and wages with back pay in the upcoming budget proposals for all workers in the Public Service including teachers, nurses, police, BDF and Civil Servants.

(14) The Convention, assembled on January 19, 1986, called upon the Esquivel Government to resign and call national elections.

Amendments to Constitution

Belize City THE BELIZE TIMES in English 26 Jan 86 p 5

/Text/ The National Convention of the People's United Party passed three resolutions which amend its constitution in order to move forward with the changing times.

One revolution adds an article to give authority to the existing system of regional groups for the north, the south, the west and the central regions of Belize.

A second resolution also adds an article which establishes an organization called the Order of Distinguished Service. The Order will give recognition to members of many years distinguished service.

The third resolution provides for the existing system of electing nine officers of the electoral division and provides for its internal management.

It also enables the Central Party Council to appoint chairpersons of the five committees to the Central Executive.

Assessment of Meeting

Belize City THE BELIZE TIMES in English 26 Jan 86 p 7

/Unsigned column "Bottom Line": "PUP Saving Belize Convention '86"/

/Text/ They came from all over the country. From Corozal to Toledo, from San Ignacio to San Pedro. They represented every profession and every occupation that make up Belizean life.

What did they have in common? The body politic of Belize wanted to help shape the future of Belize. Ironically it is the UDP government what proves to be the unifying force to a party that up to the Convention of '84 found itself squabbling over who was left of center and who was right of Center.

At Convention '86 the party projected the policy of the "middle of the road". In the Belizean political spectrum the center is a progressive position which advocates government intervention in the interest of the people.

For instance, Centrist policies would have saved the Libertad Sugar Factory. It would have insisted on commitments by Coca Cola Foods to buy small farmers citrus fruits. A restatement of the "middle of the road" policy is spelt out in a paper approved by the two-day convention. The paper is entitled "Updating the Revolution" - 1986 to the 21 century. The enemies of the People's United Party will try to play down this document, but the majority of the people will consider it with the seriousness it deserves! If the philosphy, as stated in the document is faithfully followed the PUP will be returned to office and it will be able to turn around the economy from the disastrous state from which the UDP will hand it over.

Many important resolutions were passed. One resolution demanded an increase of salaries and wages in all sectors of government service, including back-pay. That motion was popular but the most resounding applause came on the motion calling for the present government to resign.

That motion was moved by Major Thomas Greenwood, former second-in Command of the BDF.

The way ahead is clear for the PUP it must unify the rest of the people in its fight to serve Belize. It must challenge the government on every front. It must save Belize from the wreckers.

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CSO: 3298/335

BELIZE

UDP PARLIAMENTARIANS ASSESS GOVERNMENT'S FIRST YEAR

Belize City THE REPORTER in English 26 Jan 86 pp 1, 14

/Text/ Members of the House of Represantatives and the Senate belonging to the United Democratic Party attended a two-day retreat at Caye Chapel last week-end to discuss the targets and performance of the government following one full year in office.

During five sessions the Parliamentary representatives examined the priorities of the government vis-a-vis the needs of the country and tried to weigh the impact of existing and proposed government measures on the development climate. Sir Edney Cain, Financial Secretary, addressed the conference on how the economy responded during the first 12 months of the new government.

A spokesman at the end of the conference announced the general consensus, that the government programme during 1985 was generally on course with national targets and goals.

A spokesman for the group this week specifically denied a report appearing in the Belize Times which said that the conference had been conducted at public expense.

"The expenses for this retreat, which included the wives of many of the representatives, were met privately, from the contributions of the group," the spokesman affirmed.

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CSO: 3298/335

BELIZE

TEACHERS STAGE PROTEST; WAGES, CONDITIONS AT ISSUE

Report on Demonstration

Belize City THE BELIZE TIMES in English 19 Jan 86 pp 1, 12

[Text] Belize City
Wed. Jan. 15, 1986

Despite disinformation from Radio One, teachers of the Belize National Teachers Union braved the cold and rain and poured into Belize City. Radio One had for days bleated that all Branches of the National Teachers Union would not demonstrate and intimidated teachers that schools must remain open on Wednesday.

But the teachers numbering 592 came to Belize City to protest their meagre salaries, deplorable working conditions & an end to the exploitation of their profession. They marched orderly and peacefully from Cinderella Plaza into Central Belize City breaking off at Majestic Yard with a rally. They were also protesting irregularities in the education system, Government's failure to grant a guarantee for salary re-adjustments and they called for greater dialogue before presentation of the '86 budget.

The teachers came from the districts of Corozal, Orange Walk, Belize and Cayo. Although there was no representation from Stann Creek and Toledo districts because of transportation expenses, demonstrations were held in Dangriga and Punta Gorda simultaneously in solidarity with the Belize City demonstration.

Last Week Radio One announced that Education Minister Derek Aikman had met with officials from the Union and that " all matters discussed were mutually dealt with on a favourable basis. Continued Radio One: "The BNTU was informed that while the Minister could not have a fixed date for any increase, he assured the Union that a Committee had already been charged with the responsibility of revising and upgrading the salary structure for a possible increase."

It was in this light that the teachers from primary and secondary schools decided to demonstrate. They were getting no where nor had they received any commitment of any increase in salaries and when. Aikman after repeatedly evading them was still unable to satisfy their modest demands.

At the rally, BNTU national president, John Pinnello chastized Radio One for their malicious and deliberate presentation of false information while denying them their right to use the radio station for public announcements. He also called for unity amongst teachers to bring an end to the intimidation and exploitation of teachers. Other Union representatives cautioned members against complacency reminding them that solidarity is the key to success.

The last raise in the salaries of teachers was in June 1981. Since then the cost of living has gone up considerably while their wages have remained the same and classrooms conditions have deteriorated.

Criticism of Government Offer

Belize City THE BELIZE TIMES in English 19 Jan 86 p 8

[Text] Prime Minister Esquivel and his Cabinet worried about their continuing unpopularity and threats of strike action by doctors, nurses, teachers and civil servants have buckled under the pressure and agreed to a raise in salaries. The raise however is not going to be a raise-up one, it will only be a small 10% to keep down the protests.

Neither will the small raise be, retroactive when it is approved in March as part of the Budget. This means there will be no back-pay for workers. Again the UDP has failed in another promise to improve the salaries and working conditions of the workers.

Esquivel who has been boasting of the millions of dollars he has sent abroad rather than following a systematic and orderly repayment plan, is reluctant to approve any salaries increase for workers. As recent as last month at his Press Conference he made it clear he didn't promise a raise to anyone.

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CSO: 3298/335

BELIZE

ESQUIVEL SPEAKS AT DEFENSE FORCE ANNIVERSARY CEREMONY

Belize City THE REPORTER in English 19 Jan 86 pp 1, 12

[Unsigned article: "P.M. Announces Growth Plans for B.D.F. Promotions at the Top Pave Way for Belizeanization"]

[Text] On the occasion of the seventh anniversary of the Belize Defence Force Prime Minister Manuel Esquivel announced a number of high level promotions, bringing Belizeanization of the BDF one step closer.

Captain John Loskot, second in command to Col John Starmer-Smith, was promoted to the rank of Major while Captain Alan Usher of the BDF Air Wing and Captain Earl Arthurs if the BDF Infanty were raised to the rank of Acting Major.

Two young lieutenants, Francis Marin and Henry Baizar were promoted to the rank of Acting Captain while four Second Lieutenants, Abel Simpson, Cedrick Borland, Revel Black and Lloyd Gillett were elevated - Simpson to become a full lieutenant and the others to become acting lieutenants. Warrant Officer Bernard Avila also became an Acting Lieutenant.

Two other warrant officers Grade 11, Ethelbert Cayetano and Luis Escobar were promoted to Warrant Officers First Class while four staff sargeants, David Cacho, William Stamp, Issac Williams and Walton Rodriguez became Warrant Officers Grade 11.

Projecting the future growth of the BDF the Prime Minister announced that the Force would be expanded to take in a third company, to be known as Company F and the Force would be re-organized for a more realistic service support.

The Belize Army, the Prime Minister said, would be working its way towards a ground - to - air defence capability, towards expansion of the Air Wing and the introduction of light anti-tank weapons. A separate study for the Maritime Wing had been undertaken, the P.M. said, and was in the process of being considered.

Mr. Esquivel expressed his approval and appreciation of the work and achievements of the BDF during 1985. The year had been a period of consolidation and progress, he said, and predicted that 1986 would be an "exciting year."

"Events have shown that the unqualified commitment of the Ministry of Defence and the Government to seeking the best for the BDF has evaporated whatever cloud of discontent may have been raised by outside influences," the Prime Minister said. He added: "We appreciate that complete Belizeanization will not be achieved immediately, but we are steadily progressing towards the day when the Force will be fully Belizeanized."

Mr. Esquivel acknowledged that none of the proposed expansion would have been possible without the continued support of the British Foreign and Commonwealth Office.

To mark the Army's seventh birthday the officers and men of the BDF organized an open day which thousands attended. There were mock battles, rescue drills, obstacle courses and special operations during which invading forces "absailed" from a hovering helicopter, sliding by rope to cover points on the ground fifty feet below. The exercises, all agreed, were of a commendably high standard despite the very wet condition of the ground.

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CSO: 3298/335

BELIZE

LARGE MARIJUANA SEIZURE SPARKS 'SPECULATION'

Belize City THE BEACON in English 25 Jan 86 pp 1, 8

/Unsigned article: "7,300 Pounds Marijuana Bust Raises Wide Speculation"/

/Text/ BELIZE CITY, MON., JAN. 20: Today Eastern Division police officers raided the Travellers Liquor Refinery on the Northern Highway situated 2½ Miles outside the city, and seized a large quantity of compressed marijuana.

Official reports have described the seizure, listed as one of the biggest drug busts in local history, as 7,300 pounds of compressed marijuana contained in a "cylinder." But Beacon's investigators have confirmed that the marijuana was actually stored in one of the usual steel containers used for shipping cargo. This particular container measures 20 ft x 8 ft by 10 ft and carries the markings HUBU 719.

Police have so far arrested three persons in connection with the dramatic seizure - 32 year old Jaime Perdomo, Manager of the Travellers Refinery, 40 year old Customs Broker Fred Fuller, and 81 year old Domingo Cowo, watchman at the Travellers Refinery. One of the sidelines in this large marijuana haul is that the aged watchman claims not to speak any English. But Police have him listed as Belizean, hailing from Succotz Village, Cayo District.

The magnitude of this operation soon became widely known, and has provoked wide speculation all over the city:

*Where did the large container originate, and which company holds the contract for shipping the illegal cargo?

*Which trucking service moved the container from its original source, and who was the driver of the vehicle that had the transportation job?

*Which Customs Officer sealed the container full of marijuana or was it sealed by a Customs official at all?

Police authorities are playing this one carefully. There might even be some arguments at the very top, that the raid was sprung a little too quickly. In any event, the authorities still have a mountain load of investigating to do.

The newspaper has nevertheless learnt that one John Zinkle has been named on Customs documents as the shipper of the container. According to our source, Zinkle is a U.S. citizen with local residence somewhere in Cayo, and may still be evading the police. The cargo, listed as tractor parts, was reportedly headed for a company called International Tractor Service in Miami, U.S.A.

One of the main areas of speculation is centered around the fact that the amount of marijuana seized was adjusted from 10,000 to 7,300 pounds. Why was the sealed container opened at its place of seizure, and the packages of marijuana removed. Public gossip is saying that almost 3,000 pounds of the weed disappeared, and will eventually end up on the local streets. It has happened before. But there is every indication that this may just be the wildest kind of speculation in this red hot case, and will prove untrue.

Whatever the case, it is expected that in the not too distant future, some dramatic developments are bound to surface. In the meantime, the police have refused to disclose just how they got wind of the impending shipment.

The purchase value of the marijuana has been put at well over quarter million Belize dollars, and the U.S. street value in the millions.

Perdomo has been charged with possession, and also charged jointly with Fuller and Cowo with attempting to export marijuana. All three are on bail.

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CSO: 3298/335

SAO PAULO PMDB SEEKS COALITION WITH PT FOR NOVEMBER ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Feb 86 p 6

[Text] The PMDB is again going to seek a coalition with the PT for the gubernatorial elections in Sao Paulo on 15 November 1986, and so the new PMDB president, Almino Afonso, is ready to discuss the matter with Lula. He gave this information to reporters after assuming his new post at a ceremony attended by the public, but with three notable absences: Governor Franco Montoro, Deputy Ulysses Guimaraes and Senator Fernando Henrique Cardoso.

Almino Afonso is not seeking out only the PT: he intends to have talks with the PDT and the PFL, but he has already ruled out the possibility of reaching an understanding with the PDS, and PTB, a party he belonged to before leaving the country and seeking exile for more than 10 years. As president of the PMDB in Sao Paulo, one of Almino Afonso's tasks is to attract to the party the leadership that comes out of popular movements, which shows a concern with the growth of the PT in the state. In taking office yesterday, Almino Afonso confessed one thing: he backs Quercia, but he promised that, as president of the PMDB, he would not exert influence in favor of anyone, even in the primaries to be held so that the party can choose its candidate for governor. The primaries will be held by the first part of March.

A Party

The ceremony in which Almino assumed the presidency was over an hour late, and was attended by the following, in addition to representatives of boards of directors: the president of the Assembly, Deputy Luis Carlos Santos, former prefect Mario Covas, Jose Luis Portella (special adviser to Governor Franco Montoro), a representative of Montoro, Secretary Bresser Pereira, the deputy prefect of Santos, Esmeraldo Tarquinio Filho, and state secretaries and deputies. But Montoro, Fernando Henrique and Ulysses did not appear. The governor claimed he was on a trip to the interior, Senator Cardoso went to Israel and Ulysses was in Brasilia.

There were two speeches: one from the outgoing president, Deputy Valdemar Chubaci, and another by the new president, Almino Afonso. Both spoke of the same thing: their concern over party unity. The PMDB is afraid that internal divisiveness will bring them another electoral defeat, this time in the elections for governor. This was why Chubaci shouted out demanding "unity, unity, unity" in his speech. Almino Afonso spoke next, praising the popular movements and saying that there is infighting because the PMDB "is a party with many leaders."

Almino drew attention to one fact: that the democrats are pressured on one side by the right and on the other by the leftist opposition, to which he does not belong. According to him, these leftists act as though there had been a people's revolution in the country. Almino acknowledged that Brazil was going through a political transition, but he said that only the PMDB--"a mature party"--could bring true democracy to the people. "The PMDB was the spokesman for protest in the past. Now our main role is to build our democratic tomorrow."

His term of office will be marked by two things he has promised to do: 1) bring the party back to a grass-roots level, by maintaining a closer relationship with management and listening to people's demands; 2) open up the doors of the party and hold public debates on topics of national interest. Almino has further promised to build a hall with a 400-seat capacity out of current headquarter funds.

Almino Afonso praised Mario Covas, Fernando Henrique Cardoso and Valdemar Chubaci, three former presidents of the Sao Paulo PMDB, but he declared in his speech that there was a candidate to succeed Franco Montoro. He later explained that as president, he will give equal treatment to the three candidates for governor: Orestes Quercia, Mario Covas and Almir Pazzianotto. During an interview he gave afterwards, a reporter asked him: "Could you tell us who your candidate is?" Almino was surprised at the question, claiming that there wasn't anything new. But, when the reporter insisted, he said, "My candidate is Orestes Quercia." The reporter asked again: "Why Orestes Quercia?" He added: "Because Quercia has good popular support." Almino then said: "I would like you to report that this is a personal preference and not a preference of the president."

Almino Afonso confirmed that the PMDB is going to hold primary elections immediately to launch a candidate for governor. According to him, the party congress can only be held between 15 May and 15 August. But the PMDB is going to hear the three aspirants for the candidacy separately, and schedule the primaries. The party does not want to run behind other candidates in the campaign, such as Deputy Paulo Maluf (PDS) and Foreign Minister Olavo Setubal (PTB/PFL). Once the primary elections are over, the party will have chosen its candidate and can begin campaigning immediately in the state.

Coalition

"I would like to have a coalition with the PT." With this statement, Almino Afonso disclosed that he will seek coalitions for the November elections. If necessary, he will also meet with Rio Governor Leonel Brizola, who is a friend of his. His preference for an agreement with the PT is based on the following line of reasoning: it would be a coalition of centrist forces with leftist forces, the same ones that Almino criticized in his speech as thinking in terms of a revolution in the short term.

Almino Afonso was irritated when a reporter asked him whether the spending of Governor Franco Montoro was not similar to that of the former governor of Rio, Chagas Freitas, and whether what had happened in Rio with Miro Teixeira might not be repeated in Sao Paulo with Orestes Quercia. Appearing indignant, Almino began by retorting: "It is an insult to compare a serious government such as Montoro's with Chagas Freitas'." He also said that 1986 "will be a year of gains" for us, referring to various projects completed, some in his area, the Secretariat of Metropolitan Businesses. Orestes Quercia's deputy governor should, in his opinion, be "a progressist." Almino confirmed that he is a candidate for the Senate, since Severo Gomes left the Senate and he is completing the rest of his term, as Severo's alternate.

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CSO: 3342/67

MINISTER VIEWS PRESIDENTIAL TERM, RULING COALITION

PY011718 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 28 Feb 86

/Text/ Speaking in Porto Alegre, Army Minister Gen Leonidas Pires Goncalves yesterday condemned the campaign to reduce President Jose Sarney's term to 2 years. He said that the proposal is politically imprudent and that it could turn into an "impreachment" /in English/. The minister recalled that the Constitution establishes that the presidential term must be 6 years and that both Tancredo Neves and Jose Sarney agreed to reduce it to 4 years. However, he stressed that any change must be made through the constituent assembly.

General Pires said that PMDB /Brazilian Democratic Mobilization Party/ leaders are clearly aware of their responsibilities and of their importance for the Democratic Alliance /AD/.

/Begin Pires Goncalves recording/ I believe the New Republic enjoys the support of a powerful force, the AD, whose main pillars are the PMDB /Brazilian Democratic Mobilization Party/ and the PFL /Liberal Front Party/. I am convinced that the PMDB members are also aware of this situation. I am confident that their devotion to the people and their patriotic responsibility (?will preserve) the AD, and that the government will be able to do its job to the benefit of Brazil. /end recording/

Pires Goncalves reacted against the statements by Senator Fernando Henrique Cardoso that the moderate wing of the army is influencing the government. The minister said that the army has no power within the government and that it is dedicated to its professional duties.

The army minister believes there is no need to expedite the resumption of diplomatic relations with Cuba. He said the National Security Council is considering several reports to provide all the necessary information to President Sarney, who will make the final decision.

Regarding the military agreement with the United States, the minister denied that the United States wants to resume it. He said he hopes the armed forces of the two countries will tighten their bilateral ties.

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CSO: 3342/77

BRAZIL

PLANNING MINISTRY ANNOUNCES IMPORT LIMITS FOR STATE FIRMS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jan 86 p 22

[Text] Brasilia--Yesterday the Ministry of Planning announced the limits to be imposed this year on state firms with regard to imports of both the direct and commercial leasing types--rentals or purchases of foreign products for the domestic market.

The limits imposed amount to a total of $2.197 billion for direct imports (except oil and wheat) and 1.692 trillion cruzeiros for purchases and rentals for the domestic market. SIDERBRAS is expected to import the largest amount, totaling $600 million, followed by PETROBRAS with a limit fixed at $270 million. With regard to the domestic market, the Treasury Ministry will make the most purchases, totaling 555.1 billion cruzeiros.

There was an increase of 0.5 percent in direct imports. As for domestic purchases, the nominal increase was 170 percent, equaling the level of inflation included in the budget of the state firms. However, considering the estimated variation in the exchange rate this year, there was a real reduction of 1.6 percent.

According to SEPLAN, those limits were stipulated on the basis of proposals submitted by the state firms, the proposals having been analyzed in keeping with directives of economic policy. In view of the problems facing the international scene as a whole, the country had difficulty in maintaining the trade balance on the plus side; that is why SEPLAN is finding it necessary to impose strict control on imports, "permitting only those absolutely necessary for economic and social development."

Therefore, according to SEPLAN, the decision to establish limits on direct imports was aimed particularly at maintaining the import of raw materials, spare parts and replacement items at an adequate level in order not to prejudice the economic activity of the state firms, notwithstanding bilateral accords or agreements with international financial organizations essential for the proper operation of those firms.

With regard to the domestic market, the intention was to eliminate direct imports as much as possible, principally those involving replacement parts, because of the difficulties in financing imposed by the suppliers. As for the leasing of foreign products, basically Xerox and computer equipment, SEST considered only part of the requests made by the state firms in order to hold down excessive costs with regard to that equipment and to offer "greater stimulus to domestic firms."

The Presidency

The cabinet of the Presidency of the Republic has a zero limit on direct imports this year and 470 million cruzeiros for the purchase of foreign products on the domestic market. The Vice Presidency has no allocation for the purchase of imported products. The National Security Council is permitted to make purchases from the domestic market totaling 150 million cruzeiros. The National Information Service (SNI) is authorized to spend $300,000 for direct imports and 1 billion cruzeiros for foreign products offered on the domestic market. The Armed Forces General Staff: $1.3 million and 135 million cruzeiros within the country.

The Ministry of Aeronautics has $210 million for direct imports this year and 37.8 billion cruzeiros for the purchase of foreign products in Brazil. The Ministry of Science and Technology: $18 million and 7.6 billion cruzeiros. Communications: $30 million and 143.86 billion cruzeiros. The Ministry of Army: $45 million and 11.51 billion cruzeiros. The Ministry of Navy: $168 million and 7.59 billion cruzeiros. Mines and Energy: $130 million and 23.3 billion cruzeiros. ELETROBRAS: $155 million and 89.1 billion cruzeiros.

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BRAZIL

PETROBRAS SAVINGS IN 1986 OF US$1 BILLION; PLANS NOTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 86 p 27

[Text] Rio de Janeiro--Carlos Sant'anna, sales director of PETROBRAS, estimated that approximately $1 billion in foreign currency would be saved by the country this year due to the drop in imported oil prices. Sant'anna based this conjecture on what he termed "studies and projections" carried out by the company within the past few days and which fix the price per barrel of oil at $22 compared with the present $26.

Carlos Sant'anna considered the present drop in the price of oil on the international market as "highly favorable to Brazil which will be importing 484,000 barrels of oil per day for the rest of this year." The PETROBRAS director spoke yesterday in Rio against the firm's deceleration in investments in the exploration and production of oil, arguing that this measure could place the country in the same position of dependency on imported oil as it faced in the 1970's.

Excessive Supply

Sant'anna attributed the sharp drop in the price of oil on the international market in the last few days to Saudi Arabia's unilateral decision to increase production from 1.8 million barrels per day to 4 million. "The excessive supply of oil caused the price to drop," he said.

In Sant'anna's opinion, it is still too early to know for sure what the international oil market will do. "We are in the eye (center) of a hurricane and, as such, it is very difficult to make predictions," he said. "We believe that only after the middle of February, after OPEC's scheduled meeting to analyze the present crisis provoked by the drop in prices, shall we be able to get a clearer picture of the situation."

Sant'anna supported his contention by saying that certain information disclosed by international agencies indicating that Iran and Egypt were cutting their production in half was sufficient to cause a price reaction in New York. "If OPEC decides to reduce the present production to 3 million barrels per day and establish quotas for the member countries, the prices will begin to rebound," he said.

Production

Sant'anna asserted that PETROBRAS is not thinking of reducing domestic production of oil and relying on imports of that product in order to benefit from the drop in prices. He said that this decision is not even within the jurisdiction of his firm but rather the prerogative of the government.

The PETROBRAS director believes that any decision to alter the firm's investment plans because of the drop in prices should be made only after obtaining a clear picture of the situation. He recalled that during the period from 1974 to 1979 PETROBRAS was accused of being irresponsible and lacking in foresight inasmuch as it allegedly should have engaged in exploration and production on a large scale but did not do so, thus plunging the country into the oil crisis. "If PETROBRAS begins to curtail production, when we arrive at the decade of the 1990's, we shall again be accused of lack of foresight," he said. "They will say that only because there was a slight drop in prices we curtailed our entire production. I believe that we must prepare for the next decade just as the state firm employee must always prepare for the next examination."

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MONETARY COUNCIL APPROVES BANK ACTIVITY CHANGE

PY052256 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jan 86 p 27

[Text] During a 3-hour meeting yesterday, the National Monetary Council [CMN] approved measures to streamline the Bank of Brazil's [BB] activities. These measures include changes in the BB's treasury account at the Central Bank [this account is managed by the BB as the government's financial agent, with statutory authority to print money for the account, if necessary], as well as other changes that will allow a reduction in interest rates and the fiscal deficit, and reduce the inflation burden.

Here are the main measures approved:

1. As of now, all operations carried out by the BB for the National Treasury will be made with the BB's own resources, no longer with interest-free Treasury resources. At the same time, other complementary measures will be taken, including: a) issuance and retiring paper money will be carried out through the BB's reserves account; b) the automatic system to level the BB's reserves with its legal compulsory deposits has been eliminated; c) the BB is authorized to carry out any active, passive, and complementary operations allowed to the rest of the banking institutions; d) the BB will have access to the liquidity rediscount facilities; 3) the monetary base concept is redefined and restricted to Central Bank accounts, allowing the BB greater freedom to raise money and grant loans; and f) the daily liquidity position resulting from the balance of the debit and credit account related to the government's budget, including deposits made by the federal government's agencies, will constitute the BB's specific reserve in the Central Bank.

2. Changes were approved in the regulations of "open market" [in English] operations involving repurchase contracts. Also as of now, the banks will have an additional capacity to carry out operations of 5 to 15 times their liquid capital.

3. An increase from 12 to 15 percent of the compulsory deposits on saving accounts has been approved. This measure does not reduce the volume of resources currently available for financing housing facilities and it will not have any effect on the holders of saving accounts.

4. Authorization for the establishment of a branch of the Sao Paulo City Bank in New York has been revoked. The CMN also agreed that the opening of new bank branches abroad is inopportune as long as the current situation cf the international financial market prevails.

5. The CMN approved regulations establishing guidelines for the installation and operation of bank offices. These regulations seek to simplify and debureaucratize the granting of authorizations for the operation of these offices.

6. The CMN has approved the renewal of the principal of the public sector debt with financial enterprises. This debt falls due in coming years under the same terms as in 1985, that is, a total rollover.

The CMN has also approved the guaranteed minimum price for the northeastern harvest and for the second harvest of the center western, southeastern, and southern areas. The average increase of the minimum prices for the two harvests is approximately 210 percent. Since the beginning of the harvest is scheduled for the month of May, the inflation rate for the next 2 months should not exceed 10 percent, so that the price increases do not remain under the inflation rate.

The CMN also approved the proposal by Andre Franco Montoro. Filho, president of the National Socio-Economic Development Bank (BNDES), to establish a special credit program for agrarian reform (Procera), with a cost assessed in ORTN [National Treasury Readjustable Bonds] plus 3 percent per year. These special credits are payable in 8 years, with a 3-year grace period.

The minimum maturity term for bank deposit certificate, and bills of exchange bearing a pre-established interest rate plus monetary correction on the ORTN has been reduced from 180 days to 90.

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BRAZIL

FUNARO ON PUBLIC DEBT, RISK OF MARCH INFLATIONARY SPIRAL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jan 86 p 28

[EBN interview with Finance Minister Dilson Funaro in Brasilia on 30 January 1986: "Funaro Discounts New Recession"]

[Text] Finance Minister Dilson Funaro granted an interview yesterday to the Brazilian News Agency (EBN) in Brasilia, answering questions from various communications media. He spoke about the change at the Bank of Brazil, the government deficit and combating inflation. The main portions of the interview are reprinted below:

[Question from reporter Mariluce Moura, chief reporter for the JORNAL DO BRASIL] The government is exhausting the methods it can adopt to fight inflation without hampering growth and causing a reaction among workers. What is it going to propose to guarantee lower rates in keeping with its agreement with labor?

[Answer] For a long time there has been a relationship between the Bank of Brazil and the National Treasury through an account called the turnover account. Under this account, the Bank of Brazil, as a monetary authority of the country, may use the federal government's resources to meet obligations of the government. Many people believe that our move to improve the operation of this account will weaken the Bank of Brazil, which is not at all true. With the turnover account operating during all these years, the position of the Bank of Brazil has diminished in this country in the past 5 years, with the exception of 1985. And it was not because of the turnover account that the Bank of Brazil was able to maintain its position. Its participation in the financial system was 25 percent and it fell by 7 or 8. In early 1985, we took steps once more so that the Bank of Brazil could continue to play--or so that it could reverse its downward trend and once again play--an important role in the financial system. The fact that we are operating an account like the turnover account does not in any way hinder the Bank of Brazil in its main task of being the element or instrument for development of this nation, so essential to the government and the country. The turnover account has obligations and benefits, as it is now being used. But perhaps it has many more obligations than benefits.

Inflation must be fought at its source. We have enacted tax reform, we are working on a bank reform, and we are creating buffer stocks. When wage-earners receive their paychecks on 10 February, they are going to see that we have made a substantial cut in the income withholding tax. And workers earning up to five wage units, who used to pay, will stop paying this year, which will benefit 1,250,000 people. And those who earn over five wage units, who must pay the tax, will certainly pay 25 percent of the withholding tax. The other 75 percent was reduced by the government, and this will not be reflected in prices. Under this tax policy, we penalized capital and we also taxed the worker. However, this income distribution policy of ours, perhaps one of the few ever applied in this country, will show that tax reform has contributed substantially toward combating inflation, because it has balanced the government budgets. The deficit this year will be one of the lowest in the country's economic history. This does help stabilize a country. And it is precisely this iron hand that the president is making Finance and Planning apply that is showing that this country's budget can be balanced.

[Question from reporter Romildo Porto, economic editor of the JORNAL DO COMMERCIO in Recife and from Fernando Junior of Super Marajoara in Belem do Para] The New Republic and the Old Republic are competing in the struggle against inflation. Up to now, the Old Republic has been winning, because the highest rate of inflation has been registered in the New Republic: 16.2 percent. What specific measures can the government impose on management to contain inflation, and how would these measures be implemented?

[Answer] We are living in an economy in which all the factors are already more or less indexed. What happens when we try to enact an anti-inflationary policy is that we always have to be sure that any one of these sectors is within the indexing scheduled for the following month. Otherwise, inflation would just go up, because it moves at an incredible speed. What is the government trying to do? It is trying to control the situation, to make sure that some sectors do not move ahead of others in making these adjustments. Up to 1985, the sector which was lowest was the wage sector. For a long time, with Law No 2065 readjusting 80 percent of wages, the government kept wage-earners below the inflation line. We must point to something extremely important in this country: there was a significant difference between economic behavior in 1984 and 1985. In 1984, Brazil showed little growth. We started 1985 in March with little hope, and then between March and December 1 and 1/2 million jobs were created. This may be one of the most audacious plans Brazil has ever applied.

[Question from reporter Arnolfo Carvalho from the CORREIO BRAZILIENSE, Brasilia] Mr Minister, why does the New Republic continue to try to stop up the hole with a sieve in this matter of inflation, and not attack the root of the problem, namely, the monstrous internal public debt? Would it be because, if it were to do so, the price of the drop in inflation would be paid only by the wealthiest class in this country, which has financial assets?

[Answer] This is something we need to look into. The internal and external debt amount to 700 trillion cruzeiros, with the internal debt accounting for

200 trillion cruzeiros or 17 percent of Brazil's gross domestic product. And 17 percent is not such a large figure, since in the United States it is about 40 percent, in Japan 60 percent, in Italy the internal debt amounts to 100 percent of its gross domestic product, and in Belgium 110 percent. The important problem the gentleman is referring to, and rightly so, is the problem of debt servicing, or the cost of this debt. Brazil has been paying extremely high interest rates, perhaps some of the highest interest rates in the world, for a long time--the past 4 years. We cannot transform this country into a country in which risk-free capital yields high interest like this. We are constantly knocking down the interest rate in this country to ease the situation.

[Question from reporter Wanderley Carvalho, economic editor of the TRIBUNA DA BAHIA] With the price freeze applied by the government to contain inflation in February, isn't there a risk of a new outbreak of inflation in March, when the frozen prices take off again?

[Answer] What we are doing is setting market prices for goods which the government has in stock. In these 3 months we have placed a million tons of foodstuffs on the market for the people. We are guaranteeing that in the next 4 weeks some of these foodstuffs will have a set price on the market which will not change. We are applying a price that will discourage speculation, a lower price to regulate the market at a level the people can afford.

[Question from reporter Gilberto Demenstein from FOLHA DE SAO PAULO] Mr Minister, since 1986 is an election year and since this could cause inflation rates to go up as a result of politicians' demands for government projects, what does the government intend to do to prevent the government machinery from getting caught up in the campaigns, without altering the base of government support?

[Answer] Every day we are discussing with the people the faults and gains of the government. Now, during a campaign year, the president's position is the same as it was last year, which was also an election year, namely, a position of commitment to the people, and a commitment to put the country in order. I believe that if we are successful in this task, we will have made a major contribution and it will be a major political gain.

[Question from Clecio Vargas de Oliveira from the paper INDUSTRIA E COMERCIO, Parana] Will the recent government move to cut back financial resources to the states also be applied to the southern states affected by the drought, as is the case with Parana?

[Answer] What the government has arranged with the governors of the southern states, and this was made clear yesterday, will still hold true despite the election campaigns. In November and December we provided a great deal of aid, just to meet the needs of the producer and the farmer in the field who need the resources. This has placed a substantial burden on the government, but the problem is acute, and the federal government has given its full support.

[Question from reporter Sergio Chacon from the Brasilia office of the newspaper O ESTADO DE SAO PAULO] Coffee roasting plants are speculating with coffee, vehicle assembly plants are speculating with automobiles, and commodity traders with foodstuffs which are going to be scarce in the South because of the drought. Mr Minister, isn't it time for the government to use the police to defend the economy and the consumer?

[Answer] In actual fact, what we need is production, because when the government does not have buffer stocks, what happens is what happened in January: inflation goes up as it did then. When there are buffer stocks, there are no commodity speculators. Much more than police, we need buffer stocks.

[Question from reporter Miguel Dias from Sistema Globo de Radio, Sao Paulo] Prices for cars have been on a constant rise, and don't you believe that these price increases which are clearly linked to the short repayment terms could force the middle-class buyer out of the market?

[Answer] At a time when we knew demand for automobiles was high, the government did the right thing. It cut credit to the consumer to see if the market wouldn't cool down a little. When this market cools down, the market for used cars, which the middle classes have bought and paid for at prices well above what they are worth, cools down. However, in practice, these measures do not drive the middle class out of the market or reduce the purchasing power through credit of that class. They do, however, somewhat stabilize prices. The measures are dynamic: when the market starts to change, there is nothing to prevent us from again providing financing on 10- or 12-month terms.

[Question from reporter Elias Jose from Radio Bandeirantes, Sao Paulo] With inflation accelerating at a rate of 16.2 percent, isn't the government going to rethink its position and meet the demands of the labor movement by giving in to quarterly wage adjustments? This was also the question of Elio de Alfreu of Radio Cultura, Para.

[Answer] Here again is the problem of quarterly adjustments, which must be viewed from the standpoint of the country as a whole. What has the government done? In this price and wage race, it has endeavored to control prices so that wage gains will be real for a long time. Because if they are real at the start, and then prices go up even more, this wipes out any wage gain. We are going to have, and we already have had in recent years, a continuous race between wages and prices.

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BRAZIL

1986 SAVING ON DEBT SERVICING SEEN TO TOTAL $350 MILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 86 p 26

[Text] Brazil will save about $350 million this year through the replacement of the prime rate by the libor, the elimination of the flat fee (service tax) and the reduction of the spread (risk tax) in the contracts of the short-term renegotiation of the foreign debt now underway in New York, according to information released yesterday by Paulo Nogueira Batista Junior, head of the Ministry of Planning's economic advisory board.

The prime rate, New York's preferential interest rate, is always higher than the libor, London's market rate. The flat fee reached 1.5 percent in 1983 and 1 percent in the negotiations of Brazil's debt in 1984. And the spread, from 2 percent in past contracts, should drop, according to the government's expectations.

Paulo Nogueira points out that the Brazilian renegotiation over the short term contains an element of innovation--namely, the conclusion of a contract directly with the creditor banks without the necessity of a formal understanding with the International Monetary Fund. Moreover, the absence of a contingency clause whereby Brazil would be protected in case of an increase in the international interest rates or a drop in exports is not considered essential by Nogueira Batista, since the renegotiation underway is of short term.

New Profile

The structuring of a new profile of economic policy, trying the inflationary peak of May in with the labor grievances, the effects of the fiscal package on the financial market and the breakdown of the progressive pattern are some of the topics discussed in the situation report "Economy in Perspective," published yesterday by the Regional Council of Economy of Sao Paulo State.

This newsletter mentions achievements such as the lack of a recession, wage recovery and drop in unemployment and discloses that the confrontation with the IMF, the approval of the fiscal package of December and the recent change in the account movement between the Bank of Brazil and the Central Bank show that "we are faced with a painstaking transformation in the administration of public accounts." Prof Jose Carlos Braga, member of the editorial staff, asserts that all those measures place the public debt at its limit.

Meanwhile, he points out that the basic problem--combating inflation--still needs to be confronted through the establishment of agricultural and industrial prices and an "urgent" definition of the social pact. The economists are in agreement concerning probable inflation in the next few months: "We shall have a period of calm, around 13 percent, inasmuch as the figure of 16.2 percent experienced in January was atypical (dry spell, extension of the assessment period, end-of-the-year euphoria and change in the index). But in May inflation will again rise if the government is ill-prepared to meet the workers' demands. Meanwhile, if we can get our accounts on the plus side and carry out our programs, it is quite possible that inflation can be stabilized at a new level of 300 percent per year," says Carlos Alberto Longo.

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BRAZIL

UNEMPLOYMENT RATE IN GREATER SAO PAULO DOWN 21 PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 86 p 38

[Text] The unemployement rate in Greater Sao Paulo reached a level of 9.8 percent in the period October-December 1985, representing a reduction of 21 percent compared with the same period in 1984. The number of unemployed in the area in question dropped from 825,000 in December 1984 to 699,000 by the end of 1985. These figures were released yesterday by the SEADE/DIESSE Foundation and were based on a survey of the employed and unemployed in Greater Sao Paulo as made by the foundation each month.

The survey also shows that, out of a total of 699,000 unemployed, 414,000 are job hunting (having sought work during the 30 days prior to the interview); the remainder (285,000) are in unidentifiable unemployment (holding down dangerous jobs or simply not seeking employment due to lack of interest in the job market).

In the opinion of Rubens Murillo Marques, executive director of SEADE, the drop in unemployment, dating back to April 1985, is a consequence of the economic recovery underway during the past few months. This development has favored the job-hunting segment over the immediate term resulting in an annual reduction of 20.5 percent. In the unidentifiable unemployment segment the annual reduction was 38 percent due to the seasonable effect characteristic of the end of the year.

This information was substantiated by the fact that the commercial sector, which contains the greatest number of high-risk jobs, showed an increase of 8.8 percent during the year as a whole; however, 5.1 percent of that increase occurred during the last quarter. Among the other sectors, the converting industry gave rise to the greatest number of jobs: its increase was lasting and showed an annual rate of 13.8 percent. The service sector, which was also hit with considerable unemployment, showed an increase of 10.6 percent.

According to the survey, the segments most affected by unemployment are the female PEA (Economically Active Population), nonwhites, those younger than 18 years of age and migrants with up to 3 years of residence in Greater Sao Paulo. Unemployment is higher outside the capital. The survey also shows that the average time spent in job hunting was reduced from 8 months at the end of 1984 to 5 months last December.

In the job category, the survey shows a growth of 10.3 percent in 1985 and 2.1 percent in the last quarter with the creation of 603,000 jobs, principally for wage earners (11.9 percent). Self-employment amounted to 3.4 percent. With regard to earnings, the survey showed that there was real gain in the period September 1984 to November 1985 which, according to Murillo Marques, favored 25 percent of the population with greater earnings: the average earning was 14,500 cruzeiros per month, with 13,700 cruzeiros per month for the 25 percent with increased income compared with 3,000 cruzeiros per month for the 10 period who earn less.

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BRAZILIAN -U.S. TALKS ON SHARE OF COMPUTER EQUIPMENT MARKET

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 86 p 3

[Editorial: "Why Not Talk?"]

[Text] The dialogue between Brazil and the United States regarding the protected computer equipment market is reaching an impasse, it has become clear from the consultations held in Caracas. Brazil refuses to discuss the matter with the Americans, preferring to put the subject off to the area of the GATT, where the discussions could go on for years without any practical results. Under pressure from the U.S. Congress, President Reagan has delayed--and is delaying--as long as possible the adoption of sanctions against Brazil, but he will be obliged to take action because of the United States' own domestic politics. We have learned that next year the U.S. Government will officially ask Brazil for bilateral consultation on the matter. If the Brazilian Government continues to refuse to discuss the issue of the reserved market, the sanctions will be inevitable. Admittedly, however, perhaps they will only be applied next year.

In Brazil, the division existing in government circles is clearly evident. Itamaraty is inclined to negotiate, taking into consideration primarily the international context, the status of bilateral trade relations, which are highly favorable to Brazil, and the need to have the United States as an ally in the negotiations with the international banks, principally the North American banks. This is certainly not a propitious moment to get out there and fight on behalf of computer legislation which benefits only a small segment of Brazilian industry, to the detriment of the nation's economy as a whole, of the absorption of technology and of progress.

The Ministry of Science and Technology, which is inexplicably involved in the computer issue, has taken a radical and xenophobic position: the reserved market is a sovereign matter and should not be discussed with any foreign country. This is an extremely unrealistic position, considering that Brazil is highly dependent on trade with the United States; in 1985, Brazil's trade balance with the United States showed a surplus of $5 billion! A more drastic stand by the United States, imposing restrictions on imports of Brazilian products in retaliation for Brazil's position regarding the importation of American computer products, could severely affect our trade balance.

According to Article 301 of the Trade Act of 1974, the president of the Republic of the United States of America can apply sanctions against countries which adopt policies restricting imports of North American origin. This would apply to computer ware and Ronald Reagan is experiencing strong pressure from the Congress to take action against Brazil. The U.S. leader apparently wants to temporize; after he received the report on Brazil's protectionist measures against U.S. products and companies, over a month ago, he created a commission to study the matter and now he has put off until March the request for formal bilateral discussions, when he could take such a step now, in view of the failure of the Caracas discussions. It is not very likely, however, that Reagan can resist congressional pressure much longer, considering that the arrogant pronouncements of the Brazilian ministers and of the Brazilian president himself, defending the "nationalism" which inspired the computer law, have certainly been no help to [Reagan] in his dialogue with the U.S. Congress.

A heightening of the tension is thus foreseeable. The Brazilian Government should behave like a mature country and agree to bilateral negotiation, inasmuch as it could lead to a constructive agreement of benefit to everyone, particularly to the development of the national computer industry, which now depends on an aboriginal technology. Nothing, absolutely nothing, except the stupidity of the reactionary nationalists explains this stubborn refusal to engage in a dialogue, a discussion. We cannot shut our doors to a trading partner so necessary to us.

What impediment is there to an official discussion? None! Unless it is the fear that it will be demonstrated that some individuals have been leading us down the wrong paths.

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COMMUNICATIONS SECTOR SPEARHEADS ECONOMIC GROWTH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 86 p 30

[Text] The communications sector was most instrumental in enabling Brazil to register the world's highest economic growth rate (7.5 percent) last year, states a report by TELEBRAS [Brazilian Telecommunications, Inc], an enterprise linked to the Communications Ministry. According to the calculations of the Brazilian Institute of Economics, of the Getulio Vargas Foundation, the communications category presented an individual growth of 16 percent, the most impressive recovery since the country's economic indicators began to reflect the resumption of development.

According to TELEBRAS, the most important gains were observed in the program to expand public telephone service, which permitted a large increase in number of terminals. The number of public phones increased 9 percent over 1984, with the addition of almost 9,000 new phones of the type which make local and DDD [Direct Distance Dialing] connections. The "Speak Easy" network was expanded by 49.6 percent and the number of semipublic phones rose 36.1 percent. The community switchboards, which can serve groups of up to 100 subscribers in the most needy areas of the large cities, were serving 11,855 new subscribers in 1985 and the number of rural properties and centers with communications systems increased 7 percent, from 78,000 to 83,580.

The number of telephones in the country grew last year from 10,975,000 in December 1984 to 11,250,000. According to the report, as a result of the growth in the number of terminals during 1985, the ratio of telephones per 1,000 inhabitants (on which TELEBRAS bases its calculations to evaluate the distribution of telephones) rose to 8.6 phones per 10,000 inhabitants. New customer requests for telephone service declined from 83.8 [per 10,000 inhabitants] to 82.6 in December 1985. TELEBRAS ended the year with a volume of terminal contracts at least 80 percent higher than in 1984. Regarding the nationalization of the sector, it has risen from between 80 and 95 percent to between 96 and 98.5 percent, The TELEBRAS system closed the calendar year with a net profit of 5.2 trillion cruzeiros. According to the company, productivity and cost control were responsible for this profit, despite the fact that the increase in telecommunications service charges was below that of inflation; rate readjustments amounted to 171.6 percent and inflation for the period was 233.7 percent.

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BRAZIL

IBGE REPORT NOTES 8.5 PERCENT INDUSTRIAL GROWTH IN 1985

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 86 p 30

[Excerpt] Brazilian industry showed a growth of 8.5 percent last year with positive results in all industrial sectors. The mining industry showed a growth of 11.5 percent and the converting industry 8.3 percent. This information is included in an article entitled "current Indicators of Brazilian Industry and Production for December," published yesterday by the directorate of the IBGE.

The monthly industrial growth rate in December showed an increase of 12.1 percent over the same month of the previous year. This confirms the rapid growth rate during the second half of 1985 when the average industrial growth reached 10.8 percent; the last quarter was particularly noteworthy (11.7 percent) or 10 percent higher than the July-September period.

The real increase in wages as a whole explains the increase of 15.1 percent in the production of durable consumer goods in 1985 and the significant advance in the production of nondurable consumer goods (7.9 percent)--the best performance since 1976. There was an increase of 12.3 percent in the production of capital goods, achieved principally by the truck and bus segments as well as by the sector involved in the generation and conveyance of electrical power.

Some products, clearly associated with the mining and converting industries, showed appreciable recovery throughout the year.

In comparison with 1984, the electrical equipment sector showed a growth of 19.3 percent, thus making up for the crisis in that sector from 1981 to 1984 (an accumulated negative result of -5.6 percent).

With regard to the chemical sector, considering its behavior from 1981 to 1985, we see that the annual growth rates were higher than those chalked up by the industry as a whole, except for last year when it was 2 points below the overall average--namely, 6.5 percent. This positive result is due to an increase in the production of anhydrous alcohol (48.4 percent) and hydrous alcohol (21.8 percent).

Metallurgy and Machine Tool Sector

The metallurgical industry showed negative production rates in 1982 (-3.7 percent) and in 1983 (-2.4 percent); however, in 1984 the performance was excellent (13.8 percent) due to an increase in exports. Last year, considering the high level used as a basis of comparison, the production rate was relatively high (7.0 percent), maintained by an increase in domestic demand. The production of steel castings and forgings increased by 11.4 percent and that of pig iron 9.4 percent. The machine tool industry showed a growth rate of 10.1 percent (18.6 percent in 1984) with an overall increase in the production of machine tools and equipment.

With wide variations in the monthly growth rates in the first half, the transportation equipment sector showed a growth of 11.7 percent in 1985 compared with the previous year. The principal areas which produced these positive results were automobiles and pickup trucks (11.2 percent) and heavy trucks and buses (28.6 percent).

After showing a negative performance in 1983 (-10.5 percent) and 1984 (-3.6 percent), the textile sector has now shown positive growth (13.6 percent), and this is due to an increase in domestic demand, giving rise to a resumption of investment in that sector.

The mining industry grew 11.5 percent, due particularly to good performance in the petroleum and natural gas sectors (16.8 percent), a production rate two and a half times greater than that recorded in 1981.

From 1981 to 1984 the nonmetallic ore sector showed a negative rate (-18.9 percent) due to unfavorable conditions in the construction sector, principally in that of large buildings. But in 1985 the growth rate was 7.5 percent compared with 1984. The areas which contributed the most were concrete and cement structures (18.0 and 4.8 percent, respectively).

The clothing sector showed a growth rate of 7.5 percent.

The industrial sector showing the poorest performance in 1985 was that of food products which essentially duplicated the 1984 performance (0.1 percent).

8568/9435
CSO: 3342/73

MILITARY IDEAS ON ROLE, CIVILIAN IDEAS ON SECURITY DEFINED

Sao Paulo ISTOE in Portuguese 29 Jan 86 pp 18-20

[Text] Since 1935 when its first version was imposed upon the country by the Vargas government as inspired by military leaders closely allied with strong regimes, such as Gen Pedro Aurelio de Goes Monteiro, the National Security Law [LSN] has served typically to blend the security of the nation with that of the state. In the most recent--and longest-lasting--authoritarian cycle of Brazilian history, inaugurated by the 1964 military movement, that characteristic was carried to the extreme by the LSN version imposed in September 1969 by the military junta which came into power upon the impeachment of Gen Arthur da Costa e Silva. The author of the text in question, Justice Minister Luiz Antonio da Gama e Silva, now deceased and not fortuitously editor of Institutional Act Number 5 of December 1968, produced a code of unequaled severity which gave the state free rein to commit all sorts of despotic acts against its enemies--real or imaginary--under pretense of "guaranteeing the attainment of national objectives in the face of any form of opposition, domestic or foreign."

Although gradually mitigated by presidents Ernesto Geisel and Joao Figueiredo in 1978 and 1983, the LSN survived as the emblem par excellence of the defunct military regime. An anachronistic inheritance, the civilian regime finds itself faced with the necessity of giving the LSN an appropriate interment. The government began to respond to this necessity last week when Justice Minister Fernando Lyra gave President Jose Sarney (and had published in the DIARIO OFICIAL) the draft of a new law to be called "Law for the Defense of the Democratic State"--which literally abrogates the spirit, letter and scope of authoritarian legislation. Also last week, by significant coincidence, the armed forces directed a document containing ideas relating to their role in the new democratic order to the committee which, as part of the commission on constitutional studies headed by jurist Afonso Arinos, is examining the question of the "defense of the state, civilian society and democratic institutions."

The bill proposed by the Ministry of Justice deals in essence with guarantees of the integrity of the state and the exercise of citizenship. The document put out by the military deals with the constitutional definition of the role of the armed forces. The bill is to be voted upon by the present Congress. The document leaves it up to the next Congress, to be elected in November, to draw up the country's new constitution. Moreover, these are obviously directly related subjects: with dictatorships as with democracies, it is not possible to speak of defense of the state without speaking of the role of the armed forces. The Brazilian military sector wants to stay out of the state's political administration. But it does not want to shun responsibility for the country's order and internal security--without, obviously, speaking of external defense. For this reason in particular, Army Minister Gen Leonidas Pires Goncalves sees no reason to meddle in Article 91 of the present constitution which says: "The purpose of the armed forces, essential for carrying out the national security policy, is to defend the country and safeguard the constitutional powers, law and order."

Aeronautics Minister Brig Gen Octavio Moreira Lima is of the same opinion. "We see no reason to change that text," Gen Lima told OSTOE's Ariosto Teixeira. "But that is a subject for discussion by jurists, members of the constitutional assembly," he points out. For some jurists the problem is the expression "established powers" as stated in that article. "Established power can be a power established against the grain of the constitution, the result of a coup," contends Marcelo Cerqueira, professor of constitutional law and juridical adviser to the Ministry of Justice. Another military minister, who prefers to remain anonymous, states emphatically: "Naturally, what authorizes or fails to authorize a coup is not the letter of the law but the strength of the political institutions." According to him, "The army interfered in the political process in 1964 only because the civilian sector made it necessary for it to do so."

The civilian sector and the military now appear to be establishing a new kind of rapprochement. Last Wednesday, political scientist Helio Jaguaribe, jurist Miguel Reale Jr. and Prof Nei Prado, all members of the commission on constitutional studies, conversed for 4 hours in Rio with the following officers who came there to give them the document containing the ideas of the three armed forces branches for the future constitution: Vice Adm Mario Cesar Flores, Lt Gen Clovis Pavan and Brig Gen Carlos Anibal Pacheco. The best part of the chat seems to have been the general atmosphere. As Vice Adm Flores later said, there was a "warm exchange" between the military and the members of the commission. "The result was surprising," Professor Prado confirms. "Terms like 'reconciliation' and 'follow-up meeting' were widely used." Jurist Miguel Reale Jr. told the officers that his "taboos" with regard to the armed forces vanished that afternoon. Professor Prado was so impressed that he telephoned the military ministers the following morning to tell them about the "impact" which their representatives had had on the commission.

One of the suggestions presented by the armed forces spokesmen is the elimination of the state of emergency introduced into the constitution by former President Geisel as part of the amendment he used to nullify the AI-5. Emergency measures and the state of siege were permitted to remain, subject to the control of Congress. Corporals and career soldiers were given the right to vote; enlisted men were not. Soldiers on active duty would qualify as candidates for elective posts. Those with more than 10 years spent on a military base had only to receive permission; all others would need to transfer to the nonremunerated reserves. Unionization of the military would continue to be prohibited. Military service is mandatory. Women and fathers would cease to be exempt from military service. The jurisdiction of the National Security Council would henceforth be determined by ordinary law and not by the constitution.

The military ministers are against the establishment of the Ministry of Defense. According to Minister Moreira Lima, the three branches of the armed forces "have certain special features which must be maintained." Another general opposes the concept recently proposed by Tancredo Neves with the argument that "since the defense minister would of necessity be a civilian, how would he distribute the funds, if his criterion were political?" Without considering the merit of military reasoning with regard to the new constitution, Paulo Brossard, consultant general of the republic and member of the constitutional commission, warns that "those suggestions will never be received in the form of an imposition or order; the Constituent Assembly is the highest authority." "We do not want to impose anything or give anyone orders. We want only to offer our opinions."

However, the military ministers did not want to do even this, at least publicly, with regard to the bill intended to replace the LSN, in which instance they were not even consulted. The bill required less than 2 months' work by the commission established for that purpose on 10 December 1985. The justice minister sought the participation of four jurists, all having broad experience in the defense of individuals accused of crimes against national security: Evandro Lins e Silva, magistrate of the STM [Superior Military Court], and criminal lawyers Rene Ariel Dotti, Nila Batista and Antonio Evaristo de Moraes Filho. Dotti, who on 2 April 1964 defended an individual accused of subversion, summed up the spirit with which the commission tackled the assignment: "The delivery took us only a few weeks, but the gestation period of this law lasted 50 years."

The commission dealt head-on with the doctrine of national security. In the words of Dotti, the bill "is not aimed at harassing parties and civilian groups; it is aimed at harassing those who are harassing those entities." One of the most controversial items of the document is the article which authorizes the interception of correspondence and wire tapping in police investigations during a period of 10 days by court order. Yves Gandra da Silva, president of the Sao Paulo Bar Association, had this reaction: "The justice system does not have enough judges qualified to grant such authorization." However, Jose Paulo Sepulveda Pertence, attorney general of the republic, considers such practices "essential" in combating terrorism.

Moreover, the timeliness of presenting such a bill is also criticized. For example, Senator Carlos Chiarelli, leader of the PFL [Liberal Front Party] in the Senate, believes that the matter should not be voted upon until the coming year. "A law of such magnitude," he reasons, "cannot be ratified by a Congress on its way out and on the eve of the Constituent Assembly." In any case, general discussion of the bill will now begin and, in this connection, "President Sarney wants to receive input from all sectors of society," says Minister Jose Hugo Castelo Branco, chief of the civilian cabinet of the presidency. For this purpose, the Ministry of Justice is now distributing more than 3,000 copies of the document. The discussion in question will give a preliminary indication of the constitutional role which the military sector expects to play in the democratic state.

8568/12859
CSO: 3342/71

MINISTERS TO PAY FIRST VISIT TO ANTARCTICA

PY272316 Paris AFP in Spanish 0037 GMT 26 Feb 86

[Text] Brasilia, 25 Feb (AFP)--It was disclosed here today that Brazilian ministers will pay their first visit to an Antarctic base. This visit will mark a new phase in consolidating the Brazilian presence in the sixth continent.

Itamaraty (Foreign Ministry) today disclosed that Foreign Minister Abreu Sodre, Navy Minister Admiral Henriqur Saboia, and Science and Technology Minister Renato Archer on 17 March will travel to the Comandante Ferraz Base that Brazil maintains on King George Island.

This will be the first time that top echelon Brazilian Government officials will have visited the Antarctic.

Itamaraty spokesman Ruy Nogueira explained that the visit that the three ministers will make does not mean that Brazil has territorial interests in the Antarctic, or that it seeks to exploit the natural resources of this continent.

On 4 August 1985 Olavo Setubal, then the Brazilian foreign minister, asserted that Brazil wished to consolidate its presence in the Antarctic without territorial ambitions.

Setubal also admitted that a certain number of countries claim sovereignty over the Antarctic, some of them by tradition and others moved by sound reasons.

The countries that have territorial claims on the Antarctic are: Argentina, Australia, Chile, France, Great Britain, Norway, and New Zealand.

The Antarctic Treaty was signed in 1959 by 33 countries, of which only 16--including Brazil since 1983--have a consultative power.

Asian countries had upheld a resolution before the United Nations proposing to turn the Antarctic into a patrimony of mankind.

Brazil, without supporting a discriminatory policy, would prefer that the Antarctic continue to be administered by the concultative members of the Antarctic Treaty.

In order In order to become a consultative member, a country must carry out continuous scientific research and establish at least one permanent base on the continent.

The treaty has a duration of 30 years.

/6662
CSO: 3342/76

RESEARCH UNIT TO DEVELOP ALCOHOL ENGINE IN 3 YEARS

Rio de Janeiro O GLOBO in Portuguese 2 Feb 86 p 41

[Text] Within 3 years, at most, the Aerospace Technology Center [CTA], of Sao Jose dos Campos, will provide all the technology needed for the production of alcohol engines for trucks, buses and tractors (200- to 250-horsepower engines).

Making the announcement, Brig Gen Hugo de Oliveira Piva, CTA director, explained that the engine will solve one of the nation's great problems: dependence on consumption of diesel oil. He commented that, if Brazil achieves unusual levels of economic growth, it will once again be dependent on imported petroleum, since there is currently no substitute for the diesel oil used in heavy vehicles. Diesel consumption has increased more than that of gasoline or alcohol.

The CAA director denied that the automobile industries had impeded the creation of an alcohol engine for heavy vehicles.

"The foreign assembly plants have neither hindered nor helped," the director said.

He admitted that these manufacturers work with diesel and gasoline engines the world over and obviously they would not invest millions of dollars just to help Brazil deal with a localized crisis.

He reported that at the end of this year the prototype of the engine which is being developed in the CTA will be in operating condition and then the phase of extensive performance tests will begin.

General Piva added that, after developing the alcohol engine for heavy vehicles, the CTA will turn its attention of automobile engines.

"Today, automobiles run on alcohol in gasoline engines that have simply been adapted. On the day that we succeed in building an engine specifically for alcohol, the performance will be much better," he said.

Finally, he said he hoped that the CTA would not have its funding cut for research on alcohol-powered engines. The estimated cost for the next 3 years is 100 billion cruzeiros.

6362
CSO: 3699/5

BRIEFS

ENGINEERING PROJECTS IN AFRICA--Brazil may participate in energy and engineering projects in southern African countries financed by international agencies. To negotiate this participation, a government delegation has been sent to Zimbabwe and it will attend the Conference for the Development of Southern Africa. This will be the first meeting attended by all the foreign ministers of the member countries of the European Economic Community, which is interested in joint ventures. Brazil did not go with any specific project: it will consider African needs and financial proposals and then decide on its participation. At a previous meeting the Brazilian Government procured three projects in Angola: one to interconnect the electrical network throughout the country; another to build a small electrical power network; and a third involving the use of wood as fuel. There are also possibilities for further projects in the energy sector, one of the most precarious in African countries. The Brazilian delegation is headed by the African Department chief, Ambassador Asdrubal Ulysseia, and composed of three diplomats: the ambassador to Lusaka, Bernardo Brito; an official from the Technical Cooperation Sector, Vitoria Clever; and the head of the Trade Promotion Division, Tomas Guggenheim. [Text] [Rio de Janeiro O GLOBO in Portuguese 28 Jan 86 p 20] 9805/6091

EMBRAER OFFERS TO PRC--The Brazilian Aviation Enterprise (EMBRAER) is to participate in the Chinese Aerospace Fair in Shanghai in March of this year. For the first time a Western aviation industry will exhibit its products in that country. Among the products to be shown by EMBRAER is the Tucano, the AMX fighter-bomber, the Brasilia and the Bandeirante. China has been interested in buying Brazilian planes since March 1979, when China's vice premier, Kang Shi'en, visited Brazil. The Chinese want to modernize their Air Force, which uses antiquated training planes over 20 years old. During the fifties, the Chinese imported from the USSR the Lak-18A, a piston training plane, which they developed and, with a new design, converted into the so-called Chugiao-6 airplane, over 2,000 units of which were manufactured beginning in 1961 and some of which were exported to South Korea, Zambia, Vietnam, and Bangladesh. [Text] [Rio de Janeiro O GLOBO in Portuguese 27 Jan 86 p 13] 9805/6091

ENGESA ANTITANK MISSILE TEST--The first antitank missiles produced in Brazil will be put to the test within the next 10 months, according to an ENGESA executive. The missiles, which will increase the firm's foreign sales, are being developed at the firm's technological center in Sao Paulo. According to ENGESA, the firm is using its experience in making tanks to develop the missiles. Another enterprise, Avibras, will test the Barracuda antiship missile in the next 6 months. It uses advanced technology similar to that of the French Exocet. During the second half of this year, the Piranha air-to-air missile, manufactured by DF Vasconceloos, will be mass produced and used in the AMX military fighter aircraft, which is made in Sao Jose dos Campos on the basis of Italian technology. [Text] [Rio de Janeiro O GLOBO in Portuguese 22 Jan 86 p 21] 9805/6091

1984, 1985 COFFEE EXPORTS--Between 1984 and 1985 Brazil's coffee exports showed a decrease of 2.3 percent; this decline is definitely attributed to the sale of green coffee to countries which are not members of the International Coffee Organization, a drop of 59.4 percent, and of soluble coffee to countries which are members of that organization, a drop of less than 21.1 percent. Of the two types Brazil exported a total of 19,143,141 bags of coffee in 1985 compared with 19,597,421 bags in 1984. Within the scope of green coffee, the number of new firms in the export sector showed a decline last year compared with the previous year, even though the Brazilian Coffee Institute had facilitated entrance into that sector. In 1985 there were 161 firms in that sector, 12 being cooperatives, while in 1984 there were 167, 13 of which were cooperatives. The port of Santos was the leader in coffee exports last year, shipping a total of 12,282,436 bags or 64.2 percent of the total for the nation; this is in comparison with 63.4 percent in 1984 and 55 percent in 1983. Of the total exported by Santos in 1985, 10,908,437 bags contained green coffee and 1,373,999 bags contained the soluble type. The other ports participated as follows: Vitoria, 14.6 percent; Paranagua, 10.7 percent; Rio de Janeiro, 10.2 percent; and Salvador, 0.3 percent. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 86 p 30] 8568/9435

SETUBAL WITHDRAWS FROM RACE--Olavo Setubal has lost the election at the PFL /Liberal Front Party/ convention and withdrawn his candidacy for the governship of Sao Paulo. Former Foreign Minister Olavo Setubal has withdrawn his candidacy for the governship of the state of Sao Paulo. This opens the possibility that former President Janio Quadros may take Setubal's place as candidate. Former Sao Paulo Governor Jose Maria Marins nipped the political ambitions of Olavo Setubal. The convention of the Sao Paulo branch of the PFL, held yesterday, made possible the political maneuverings of Marins against the former foreign minister. In the morning, Olavo Setubal made it clear that he aspired to the presidency of the Sao Paulo PFL. Last night he learned that Marins headed a ticket seeking the executive directorate. The former foreign minister then decided not to seek his party's nomination for the governorship of Sao Paulo and for the presidency of the PFL Sao Paulo branch. Speculation that former President Janio Quadros might step down to run for the state's governorship may have contributed to Setubal's decision. /Text/ /Brasilia Radio Nacional da Amazonia in Portuguese 3 Mar 86 PY/ 12228

CSO: 3342/77

CHILE

1985 9-MONTH TOTAL IMPORTS, EXPORTS BOTH DECREASE

Santiago EL MERCURIO in Spanish 15 Dec 85 p A-3

[Text] During the first 9 months of 1985 overall Chilean foreign trade amounted to about $5,045,000,000, which reflects a decrease of 8 percent, compared to the level recorded during the same period of 1984. The decrease was basically the result of lower imports, which registered a decline of 15.4 percent in 1985, compared to the first 9 months of 1984. The level of exports also decreased, but only by 1.1 percent.

The reduction in imports was expected, and this could have been anticipated on the basis of the official projections issued at the beginning of 1985. During 1984, when overall economic activity expanded at an annual rate of 6.3 percent, imports grew strongly, and it was foreseeable that this situation could not continue. The adjustment in trade was begun in September 1985 with a considerable devaluation of the peso. The conservative monetary and fiscal policies followed during 1985 resulted in a significant decrease in imports. This is an interesting achievement by the government, particularly if we bear in mind that Gross Domestic Product, while not increasing to any great extent, did not decline by comparison with 1984.

In addition to the adoption of an adequate macroeconomic policy, other factors contributed to keeping import levels fairly low. Perhaps the principal factor is the drastic reduction in foreign purchases of some food products, such as wheat, sugar, milk, and other items, as a consequence of the significant recovery of domestic agricultural production recorded over the past 2 years. It should also be kept in mind that international market prices for the majority of the items imported increased only moderately, which favored the reduction in the overall value of imports.

Nevertheless, the evolution of exports has clearly been less favorable during 1985. The overall reduction of 1.1 percent in exports is far from the goals which the authorities had established. When exports are broken down, it will be seen that the value of mineral products declined by 0.4 percent, while industrial prices went down by 9.1 percent. In various of these categories there were substantial declines in international prices, which largely counterbalanced the domestic effort to achieve a higher level of exports. In other cases it was also possible to detect a reduction in the physical shipments of certain products of some importance. Nevertheless, it is essential to point out that exports of agricultural, livestock, and fish products continued to expand considerably, achieving a 15.6 percent increase at an annual rate during the January-September period.

Consequently, it will be appreciated that the evolution of imports and exports during the first 9 months of 1985 showed contrasting results. In the case of imports considerable reductions have been made, and the official objective of stimulating an effective process of import substitution is being achieved. Regarding exports, the results have been inadequate, both in terms of the unfortunate behavior of international markets and as a result of domestic causes which should be studied further. This justifies the high priority which the government has given to policies aimed at developing the export capacity of our country.

5170
CSO: 3348/313

CHILE

MAGALLANES METHANOL PLANT CONSTRUCTION FUNDED

Santiago EL MERCURIO in Spanish 18 Dec 85 pp A-1, A-12

[Text] On 17 December, Signal Methanol Incorporated signed a foreign investment contract with the Chilean economic authorities for carrying out a methanol project in the Punta Arenas area. The project involves an initial investment of $295 million, with total authorized investment of $600 million.

It is estimated that the exports which this project will generate over a period of 20 years will exceed $6 billion, of which it is hoped that $1.8 billion will come back to Chile in payment for the purchase of natural gas from ENAP [National Petroleum Company]. About $875 million will be paid in taxes by the company.

The signature of the agreement took place in the offices of the Ministry of Economy, in the presence of Col Jorge Valenzuela, under secretary of the ministry; Hernan Buchi, minister of finance; and Paul Meister, vice president of Signal Methanol Incorporated.

Minister Buchi pointed out that the implementation of this project constitutes a demonstration of confidence on the part of foreign and Chilean investors in our economic policy, while simultaneously emphasizing that the addition of the capital invested under this program will help to increase the rate of investment which the country needs and to raise the level of exports.

Paul Meister stated that "we in the Signal Methanol Company are very interested in completing this project as soon as possible. We hope to finalize the financing of the progrm next week and to push ahead with it as rapidly as possible."

He said that the implementation of this project has been possible, thanks to the collaboration of various Chilean bodies and that "it is not only a model investment for this country but is certainly a very attractive model for the rest of the countries of Latin America."

Also present at the ceremony for signing the respective contracts were Luis Correa, executive secretary of the Foreign Investment Commission; Bruno Phillipi, an advisor to the government; Eliodoro Matte, general manager of the Paper and Cardboard Manufacturing Company; Pedro Lecaros, president of Methanol Investments, Ltd; Eduardo Matte, general manager of Signal Methanol Incorporated; Jorge Errazuriz, executive director of Bice Chile Consultants; and Michael Plimpton, of the law firm of Debevoise and Plimpton in New York.

Methanol is used principally as an intermediate chemical product in the manufacture of adhesives for wood, the textile industry, paints, solvents, herbicides, pharmaceutical products, synthetic fibers, plastics, and other products. The greatest development potential for this product in the future is its use as a fuel. As a high octane additive in gasoline, it replaces lead, without causing its contaminating effects. It can also be used directly as a fuel in low mixture proportions with gasoline.

Principal Partners

The principal partners of Signal Methanol Incorporated will be: the Signal Company, Inc, which will hold 80 percent of the stock; the CMPC (Paper and Cardboard Manufacturing Company, Inc), with 10 percent; the International Finance Corporation (a subsidiary of the World Bank), with 8 percent; and the Methanol Investments Company Ltd, with 2 percent.

The project has already received financing commitments amounting to approximately $235 million from Marubeni and Nisso Iwai of Japan, the International Finance Corporation, and commercial banks in the United States and Europe, with the City Bank of New York acting as leader. The remaining $65 million will be provided by the partners.

Methanol Plant

The methanol plant will be located at Cabo Negro, in the Punta Arenas region. Construction will begin in January 1986 and will take 3 years. It is estimated that production will total 2,280 tons of methanol per day for a period of 20 years.

The fuel necessary for the operation of this plant will be provided by ENAP. On 4 May 1985 Signal Methanol Incorporated signed a contract with ENAP to purchase natural gas for the production of about 748,000 tons of methanol per year. This contract will be valid for 20 years, beginning with the date the plant begins production.

The project will generate an average of 500 jobs during the construction stage and about 120 jobs during the operations period, in addition to indirect employment which will be generated in the region during both periods.

Minister Buchi

Minister Buchi indicated that the capital investment which the foreign investors will make and the credits associated with this investment will contribute to achieving adequate development of the economy in the future, especially in achieving the rate of investment which the country requires, given the presently existing restrictions on resources.

On the other hand he noted that this kind of project has another important advantage. That is, it will generate exports, which is what the country needs to achieve a trade surplus to permit reaching an equilibrium in the balance of payments.

In this respect he recalled that the priority in economic policy is to achieve a sustained increase in exports at rates--both in terms of volume and in real value--of more than 6 percent annually over the next 5 years.

He stated: "In short, in this project are, on the one hand, capital investment which makes it possible to resolve or to alleviate to some extent the burden on the country of having to make the domestic savings necessary to achieve investments which will make the development of the country possible and, on the other hand, to increase our exports."

He pointed out that the methanol pproject constitutes one of the first major investments to be carried out in the country, beginning in 1986.

Paul Meister

Paul Meister, the vice president of Signal Methanol Incorporated, is in our country to sign the contract with Chilean shareholders and the foreign investment contract and to hold meetings with executives of ENAP.

Next week he will return to the United States to conclude contracts for financing the project. The company will begin the investment of funds before the end of 1985.

Meister indicated that this project is the beginning of investment in major projects in Chile, which will be oriented toward using "project financing."

He said that this will be possible, thanks to close cooperation with ENAP, the Chilean National Energy Commission, the World Bank, the Investment Commission of Bice Chile, and the Banco Rothschild, which have acted as partners in the project in Chile.

5170
CSO: 3348/313

CHILE

FUTURE KEY MEMBERS OF ARMED FORCES PREDICTED

Santiago QUE PASA in Spanish 19 Dec 85 pp 13-14

[Article by Grace Gibson and Ester Robeiro]

[Text] Minister Cuadra said it. And the headlines of the daily newspapers published his words in red ink: the present government is expected to remain in office beyond 1989. General Pinochet confirmed it. And this has been repeated during all of his most recent trips. The truth is that there is no reason to be surprised. A simple reading of the Constitution of 1980 makes it possible to draw certain conclusions. The principal conclusion is that the political influence of military officers in Chile will continue for some time.

The provision for a transitional period clearly points out that those who hold the positions of commanders in chief of the Armed Forces and commanding general of the Carabineros cannot be removed in the 8 years following 1989. Thus, Pinochet--the commander in chief of the Army--Merino, Matthei, and Stange will continue to be active in the political life of the country, whatever happens. And if God lets them live that long, or they do not decide to resign voluntarily, as members of the National Security Council with the right to speak and vote they should advise the future president on matters of national security; express their opinions on questions which, in their view, may endanger the foundations of national institutions; and receive all kinds of information relative to the foreign and domestic security of the state.

The Most Influential

However, these four men will not be the only decisive figures in 1989. Those who are the most "senior" generals in each branch of the Armed Forces will color with "toughness" or "leniency" the decisions which are made. Because they are nearest in rank to the commanders in chief, they can become strong influences contributing to unity, apply pressure effectively in favor of or against the aspirations of political figures, and, in short, have something to say on everything concerning the future of the nation.

Who will those generals be? It is difficult to answer this question. Each year, through a process resembling a sieve, those officers who will not become generals are retired. On the other hand, there are occasions when the promotion of a given officer to the rank of general leads automatically to the retirement of all of those who are senior to him.

Despite everything, a series of factors makes it possible to promote some men ahead of time: since the military career in each branch of the service has a certain number of years--38--as an upper limit, the "retirement" of many generals is foreseeable. On the other hand, everything concerning promotions and appointments within the Armed Forces and the Security Forces is regulated in detail in DFL No 1 of 1968.

Promotional processes are similar in the Army, the Navy, the Air Force, and in the Carabineros. For all of them their military career begins in their respective schools. As they attend the required courses and with the passage of the years of service required in each rank, they go up in their respective career ladders. When they have completed 32 years of active service, uniformed personnel must present their resignations in writing. These resignations are kept in a safe until the time is at hand when their superiors consider it appropriate to retire them. With this purpose in mind, every year there is a meeting in each branch of the service of a classifications committee, made up of the most senior generals, which decides whom to promote and whom to retire.

The only members of the Armed Forces who are not "classified" by any committee are the generals. They must have the confidence of their respective commander in chief, and it is he who decides whether they remain in uniform or retire. These "trusted" men will be the "key officers" in 1989.

Senior Officers in the Army

--Brig Gen Gaston Frez A., presently commander of Region I.
--Brig Gen Arturo Alvarez S., presently director general of sports and recreation.
--Brig Gen Eduardo Ibanez Tilleria, presently commander of Region VIII.
--Brig Gen Cesar Manriquez, presently Army director of logistics.
--Brig Gen Bruno Siebert H., presently minister of public works.

Army Generals Who Will Retire

Unless the provisions of DFL 1639 of 1976 are applied to them--which empower the president of the republic to allow to continue on active duty a general who holds a cabinet position, despite his having completed the years of service provided for in the regulations--the following general officers are scheduled to retire:

--1986: General Luis Danus C.
--1987: General Alejandro Medina L.
General Manuel Barros R.
General Jorge O'Ryan B.
--1988: General Jorge Berrios
General Roberto Soto Mackenney
General Sergio Badiola B.
General Roberto Guillard M.
General Alfredo Calderon C.
General Julio Bravo V.
General Claudio Lopez S.

Senior Officers in the Navy

--Captain Carlos Perey Opazo, presently director of the Navy War Academy.
--Captain Guillermo Mackay, presently chief of staff of the Submarine Forces.
--Captain Enrique Vera, presently assigned to the Navy General Staff.
--Captain Alfredo Gallegos, presently working in the office of the Under Secretary of the Navy.
--Captain Octavio Bolleli, presently acting deputy director of the Navy War Academy.

Senior Officers in the Air Force

--Air Brig Gen Ramon Vega Hidalgo, presently director of operations and inspector general of the Air Force.
--Air Brig Gen William Arroyo S., presently commander in chief of the First Air Brigade.
--Air Brig Gen Fernando Silva C., presently commander in chief of the First Air Brigade [sic].

Senior Officers in the Corps of Carabineros

--Gen Rene Astorga Reyes, presently chief of the Punta Arenas Zone.
--Gen Claudio Calderon, presently director of training of the Carabineros.
--Gen Pedro Casanueva, chief of the Higher Advisory Council of the Carabineros.
--Gen Rigoberto Gonzalez, presently chief of the cabinet of the Carabineros.
--Gen Mario Salazar, presently chief of the Metropolitan Zone Directorate.

5170
CSO: 3348/313

CHURCH SCORES GUERRILLA ACTIONS AGAINST ELECTIONS, NICARAGUA

Elections In Serious Danger

PA182320 Paris AFP in Spanish 1624 GMT 18 Feb 86

[Text] Bogota, 18 Feb (AFP)--The Colombian Catholic Church charged today that the legislative and presidential elections to be held in March and May are in serious danger because of the guerrillas' pressure to disrupt them.

The situation was brought up by the church hierarchy in a meeting that ia analyzing the Colombian social and economic process with an eye to the legislative elections on 9 March and the presidential elections on 25 May.

The main topic centered on the current situation as the country continues in a pacification process which according to many experts, "has claimed more lives than violence itself."

Msgr Hector Rueda, president of the Colombian Episcopal Conference, charged in his speech that "the attempt to manipulate the voters through 'vote buying' threatens democracy."

"The church feels committed to a country that is cruelly affected by the uncontrolled malice of the violent," Bishop Rueda said, adding that 1985 "was the most sinister year in Colombia's history."

Rueda accused the guerrillas of trying to create a false image of the country and he indicated that the pressures that they exert on the voters through attacks on towns and threats against voters endanger democracy.

Episcopate Censures Nicaraguan Regime

Bogota EL TIEMPO in Spanish 19 Feb 86 pp 1-a, 8-a

[Excerpt] Yesterday, the Colombian Episcopate publicly censured the Nicaraguan regime for its progressive attack on freedom of worship and its systematic and violent persecution of the church hierarchy in that country.

The Colombian bishops attending the 45th plenary assembly of the Episcopate, in a message to Cardinal Miguel Obando y Bravo, archbishop of Managua and president of the Nicaraguan Episcopal Conference, expressed support for the pastoral activities being carried out by the Catholic Church, "despite the oppression practiced by the Nicaraguan Government."

"We are with you in our hearts," the message says, "amidst all the tribulations and misunderstandings, and we pray for the pastoral freedom to spread the gospel and to serve the Christian people of that brother country, for which we desire peace, justice, and welfare with full recognition of human rights."

Msgr Hector Rueda Hernandez, president of the Colombian Episcopal Conference, said that the bishops decided to give a word of encouragement and solidarity "to a Nicaraguan Church that is enduring persecution and oppression for carrying out its apostolic mission."

He censured the clergymen who are cooperating with the Sandinist government, because they are helping a government that has "defects and blemishes."

The attitude of rebellion and disobedience by the clergymen who are cooperating with the Nicaraguan regime, said the bishop, also runs contrary to the discipline of the Church, which has ordered bishops to refrain from taking posts in government, "particularly when that government has shown signs of repression and persecution of pastoral activity."

/12640
CSO: 3348/437

COLOMBIA

BRIEFS

PARTIES DENIED RECOGNITION--While comments on the television debates between the two presidential candidates, Gomez and Galan [Alvaro Gomez and Luis Carlos Galan] are continuing, the Electoral Court has decided not to officially recognize two of the groups that have designs on the presidency. The Electoral Council reported that the Colombian Christian Democracy and the Humanist Party forged signatures to obtain the minimum 50,000 signatures needed to be recognized as political parties. The lists of signatures were examined, and several were found to have signatures made by a single person. The directors of the two parties have said that they will investigate to determine who took part in the fraud, but in the meantime, they were not accepted as legally recognized parties. [Text] [Bogota Television Service in Spanish 1730 GMT 13 Feb 86] /12640

CARGO FLIGHT RESTRICTIONS EASED--Bogota, 15 Feb (DPA)--The Colombian Government has declared "open skies" for Colombian and foreign planes operating the Bogota-Miami route for cargo transportation. The measure, announced by that country's Civil Aeronautics Board in the past few hours, was prompted by the fact that the airlines engaged in transporting cargo to Miami right now do not have enough cargo capacity to meet the demand for export products, particularly flowers. The companies that want to abide by this regulation will be completely free to make as many flights as they want, as long as they notify the Civil Aeronautics Board 24 hours ahead of time. The following airlines will be able to take cargo to Miami from Bogota: any foreign airline operating that route regularly engaged in cargo transportation, any foreign airlines engaged in mixed transportation (cargo and passengers), any airline that has fifth liberty traffic [trafico de quinta libertad] rights between Colombia and Miami, such as Chile's Ladeco Airline, and any U.S. carrier that has U.S. authorization to make unscheduled international flights. [Text] [Hamburg DPA in Spanish 1955 GMT 15 Feb 86 PA] /6662

CSO: 2248/443

DOMINICAN REPUBLIC

PRESIDENT ANNOUNCES NEW ECONOMIC MEASURES

Santo Domingo LISTIN DIARIO in Spanish 21 Jan 86 p 8

[Text] President Salvador Jorge Blanco the night before last announced a series of economic measures, including a 50-cent cut in gasoil, a 50-percent reduction in the exchange surcharge on traditional exports, the elimination of the 5-percent surcharge on non-traditional exports, and the postponement of the pay raise for public employees until the National Congress approves a minimum wage of 250 pesos per month.

Jorge Blanco spoke at the National Palace during a session of the Expanded Council of Government. Here is the text of his speech:

Members of the Council of Government, distinguished guests, people of the Dominican Republic:

On 23 January of last year, our government took a series of measures that had far-reaching implications for the economic and financial order of the Dominican Republic. Because 23 January is just a few days away, I felt this was an opportune time to convene the Council of Government and the high officials of the nation, and to invite people from the economic and financial circles of the country, to review the situation and at the same time offer solutions to the problems that have arisen as this year begins, insofar as these problems affect the entire Dominican nation.

Basically, I took the following measures on 23 January 1985: We unified the exchange rate, eliminating any official dollar rate. Therefore, all public and private transactions in the country take place on the basis of the free-market rate of the dollar to the Dominican peso, in keeping with the laws of supply and demand. Another measure which reflects this philosophy in the country's economy and finances is the refusal to issue currency without backing at any time, since this practice has caused so much damage to the national economy. Similarly, in accordance with this concept, which has been mentioned so often since 23 January 1985, we have strengthened measures that were not as firm as those implemented since that date. As a consequence, we sought to correct the deficit and the real resources of our country, and finally, to enhance and further develop our policy on the Dominican rural sector. This policy is oriented toward the agroindustrial sectors so that our non-traditional exports, in conjunction with other non-traditional sectors, can contribute substantially to increased earnings of foreign exchange, that is dollars, in the Dominican Republic.

The measures we have had to take during these times have yielded clear results. Our economy is performing better and is more balanced. Our currency is stable, and its value is rising steadily. A look at how much stronger our economy was as of 31 December 1985 reveals that our peso has risen in value by 10 percent against the U.S. dollar, which is very encouraging, considering that all currencies in all Latin American countries experienced a continuous downslide throughout 1985. Even the better-endowed countries that are richer in natural and human resources, more powerful and more developed than the Dominican Republic, such as Brazil, Venezuela, Mexico, Argentina and Peru, saw their currencies plummet. This has not happened to the Dominican Republic because fortunately, as a result of the measures we took on 23 January 1985, the Dominican peso is growing increasingly strong and is shoring up the national economy.

It is possible that if the National Congress, the parliamentary majority that opposes the government and the opposition itself, in the Dominican Revolutionary Party, had not managed their affairs so negligently, had cared more about the national interest, and had been more cognizant of the national interest, the economic situation undoubtedly would have been much better. This is especially true considering that we have an open electoral process, and this year, 1986, there will be free elections. The people will have the opportunity to choose their leaders freely, and therefore on 16 August of this year, a new government will emerge. There are many who aspire to come here to the National Palace.

Suffice it to say that during the course of the past year, Congress did everything it could to thwart the public administration efforts of the president of the republic, the executive branch. The bill we submitted to the National Congress to raise public salaries was stymied, because what came out of Congress on that occasion was an increase in public salaries without the corresponding funding. This amounted to a veritable rubber check, which forced us to resort to a decree on our own initiative providing for an increase in the pay of all public employees, whether civilian, military or police. This raise had to be paid with funds that basically came from Rosario Dominicana. Without this raise, the country most certainly would have been plunged into chaos. Instead of obtaining the necessary funds by raising taxes and sales for sectors that can easily pay more than what they do now, it was the funds of Rosario Dominicana that were used. These funds could have been channeled through Rosario itself, with its contribution to the government in the form of either taxes or benefits, to make investments that the entire country needs, especially in Sanchez Ramirez Province itself.

But that stonewalling effort became even worse when Congress refused to provide the government with the necessary funds to pay the Christmas bonus. Then we had to cut back on public investments, slowing down construction and decelerating the different projects being undertaken in various sectors of public administration. We had to make cuts here and there so that we would be in a position to meet the Christmas bonus in December for public employees in the civilian, military and police branches. At the same time, since we did not get the funding we requested from the National Congress, we practically had to halt projects of national interest in various parts of the Dominican Republic.

And today, after a pay raise law was submitted in mid-year, with the corresponding fiscal projects, most of them entailing direct contributions that would not affect indigent, low-income or deprived sectors, and after we submitted in November a budget that was consistent with our policy of sending budgets to Congress on time (something previous governments did not do), the legislature is ending its session without giving the country the budget it needs. Among other consequences, the previous budget, that of 1985, now constitutes the current budget, pursuant to the Constitution. Thus, it will also dictate the country's budgetary activities in 1986.

But just as the ingots of Rosario Dominicana last year served to back the pay raise implemented by presidential decree, today the fruits of a traditional export, coffee (which has fortunately gone up dramatically on the world market in just 8 days), will also provide the resources to maintain that pay raise for public employees, in accordance with a decree we are issuing tonight.

We are also issuing another decree that establishes new pay scales, pursuant to Law 199 of 6 September 1975. We invoked that law on 19 April 1984 and again on 23 January 1985 to issue new regulations for revenues in the specific cases of coffee and cacao. Now we are revising our own decrees, and under that 1975 law, we are implementing new regulations regarding coffee revenues. We are not, however, being as generous as that law actually allows.

In addition, today I went to the Monetary Board to request that it cut the 36-percent exchange surcharge on traditional exports in half to 18 percent, and eliminate the 5-percent exchange surcharge on non-traditional exports. I understand that the Monetary Board is meeting right now to discuss these points, which are based on the fact that the exchange surcharge is a temporary measure. In view of that, we have asked that from now on the Monetary Board reduce the surcharge on traditional exports by 50 percent and eliminate the 5 percent surcharge on non-traditional exports.

I would like to take this opportunity to explain what the aim of the exchange surcharge has been. The 36-percent surcharge on traditional exports and the 5-percent surcharge on non-traditional exports have gone into an exchange stabilization fund. One-third of those monies have been used to help the Central Bank cover past losses resulting from export compensation. Another 33 percent went to the Dominican Government to meet its commitments, especially in view of the exchange-rate unification. And the final 33 percent was earmarked for the Dominican Electricity Corporation, both for its own petroleum imports and for its international payments. In other words, to cite a practical example, if the Dominican Government, the Dominican Electricity Corporation, has to pay a dollar abroad, it must take 1.92 pesos to the Central Bank, and the Central Bank provides 1.08 pesos. Thus, assuming that the unified exchange rate is 3 pesos to $1, the exchange surcharge alone would contribute 1.08 pesos to the Dominican Electricity Corporation so that it can pay for its oil imports. Or, it would help the Dominican Government meet its international obligations.

Thus, neither in theory nor in practice has the exchange surcharge gone to meet the needs of the national budget. The requirements of the national budget are basically met with the revenues from the National Treasury and from taxes, which fund the different aspects of national life.

I would also like to take this opportunity, as I am announcing the reduction in the exchange surcharge, to point out that the renegotiation of the Dominican foreign debt in the Club of Paris has ended successfully with the different members of that organization which are the Dominican Republic's principal creditors: the United States of America, Canada, Japan, Brazil, and Spain. Moreover, our debt renegotiation with the commercial banks has also come to a close, and it will soon be submitted to the National Congress.

Considering this renegotiation, which has never before taken place in this country, we have obtained a period of 13 years to pay off our obligations: a grace period of 5 years and 6 years of consolidation, from 1984 to 1989, and an interest rate of 1 3/8 Libor. But above all, as soon as the National Congress (the deputies and senators) approve the renegotiation plan, it will affect the back interest on debts due after 18 December of last year. This will take effect immediately after the plan is approved and all the legal requirements are met.

With respect to the average rate, also known as the prime rate, if Congress ratifies the plan as expected, it will have a freeing effect as of 1 January this year, retroactively. This situation is highly advantageous to the Dominican Republic, and we owe a great deal to the people who have been renegotiating our debt. This clause by itself represents a savings of 10 million pesos to the Dominican Republic.

In addition, there is no bank commission in this renegotiation, nor is there any advance payment. This past December we had to pay out more than $17 million to meet the obligations of the Dominican Government, and we would like to point out on this magnificent occasion that by April of this year the Dominican Republic will be completely current on all of its international payments. That was not the situation inherited by the administration when it took office on 16 August 1982.

Now I would like to discuss a number of other issues:

You may recall that when I returned from Argentina, I had reached an agreement with our friend President Raul Alfonsin whereby Argentina would provide the Dominican Republic with $10 million to $12 million in financing for 550,000 food crates.

I am pleased to announce that the first shipments of these food crates will begin to arrive in the first half of February of this year.

These crates contain 6 pounds of spaghetti noodles, 4 pounds of green beans, 4 pounds of corn meal, 1 liter of cooking oil, and canned fish. The Price Stabilization Institute will begin distributing them in the most important centers of population on the basis of the systems already established so that the food will reach the neediest sectors of the Dominican Republic.

In another area, I will discuss the Central Electoral Board. I will not say here what I already said in my speech in Santiago last year, regarding the Single Ballot (I was among the first to sponsor such a concept when I was a senator in 1980 or 1981). In its present form, it limits the opportunity of the people to vote in every municipality and province for their natural leaders, because as it is conceived, there will be just one presidential vote. Nor am I going to mention here that the Central Electoral Board has turned a deaf ear to the minority parties' demands in their campaign to allow voters to have two chances instead of one, as provided in the Single Ballot.

What I am going to state here is that I have been backing the Central Electoral Board on both the institutional and personal levels, if you will, with respect to preferential treatment to its members. The reason is that the government has an obligation to support it, and also that my firm democratic convictions require me to ensure that the country's electoral environment allows the citizenry to express their preferences freely. During these past days, as part of this entire policy of supporting the electoral process in keeping with the requirements of the Central Electoral Board, we have made available to the board 1.217 million pesos. As soon as the appropriate documentation is delivered to the Budget Office, the National Treasury, and the General Comptroller's Office, the Central Electoral Board will have that amount immediately to meet its urgent needs. This attitude is permanent and invariable, above all the product of our democratic convictions and the importance we attribute to the electoral process. We feel that the electoral process that is taking place now in the Dominican Republic is of particular importane.

Furthermore, as part of this conviction, we are responding to the various petitions the political parties have submitted to us on the basis of electoral provisions. They ask that we exempt vehicles and communication instruments for the campaign. I just happen to have a letter here that was sent to me a few days ago by the president of the Social Christian Reformist Party, Dr Joaquin Balaguer. On 27 December 1985 he wrote me this letter asking that the following vehicles be exempted for his party:

20 Hi-Lux trucks
20 Toyota Land Cruiser jeeps
1 small jeep-pickup, 4 cylinders, 4-wheel drive
1 Colt station wagon, 4 cylinders, 1986 model
1 Peugeot automobile, 4 cylinders, 1984 model
1 Toyota pickup truck, 1985 model
1 Toyota automobile, 4 cylinders, 1985 model (used)

On 13 January we answered that correspondence, granting all the exemptions requested. Similarly, the Dominican Liberation Party, through its secretary general, made a request for amplifiers and other communication equipment on 3 January of this year. We answered them yesterday, 18 January. Other parties not represented in Congress have sent petitions of this nature to the government. They are very legal and contain nothing objectionable, and we are studying them so that we can carry them out partially or fully. This is part of our understanding and conviction that the electoral process should provide the same opportunities to everyone so that when the gates are opened, all the horses can start at the same time.

Now I will discuss the State Sugar Council (CEA). The harvest has already begun with braceros from Haiti and also Dominican residents. Of the ten mills that ordinarily begin harvesting between December and January of each year, five are already at work. The other five will begin soon, with the arrival of the braceros who traditionally come to this country. Two other mills, Montellano and Amistad, will begin harvesting in April, that is, referring to the 10 mills.

In a policy with severe limitations, the State Sugar Council has begun its harvest even though many union leaders do not understand the restrictions and limitations imposed on the State Sugar Council by the fact that the price of sugar has fallen by more than 40 percent in the last 3 years. Sugar prices are totally depressed on the international markets, and therefore the revenues of the state sugar complex have plummeted dramatically. Certain economizing measures must be taken, such as using Dominican residents to harvest the sugar, for example.

Nevertheless, I am not going to go into this problem. What I do intend to discuss here is the petition for a bonus that the labor union sectors have sent to the CEA in the past month. Among the employees of the CEA there are many permanent employees who religiously receive their monthly salary, and who also receive, as they did this year, payments from the central government to the CEA in the form of the Christmas Bonus. If I recall correctly, that bonus amounted to a total of 9 million pesos. So there are some permanent employees of the State Sugar Council who are well paid, regularly and reliably, including a Christmas Bonus. But there are others, the permanent mobile employees, who work in offices, in industry (that is, in factories), in the fields, running train cars and wagons, and they are not so well off. Despite the restrictions and limitations, this protection must be extended to them, as they number no less than 25,000.

They constitute a needy group of people who deserve our attention. In that regard, we are donating 2.3 million pesos to the State Sugar Council to cover some 10 days' pay for the sugar harvesters. That is the name the CEA gives the teamsters, the ones who run the train cars. This will give each worker 50 pesos, to be distributed in that manner to these people who are certainly the neediest employees of the State Sugar Council, to whom we direct our attention. At the same time, we are waiving the initial payment in that beautiful housing plan that has been undertaken by the State Sugar Council in conjunction with the National Housing Institute (INVI) and the central government. The payment would bring in a total of 1 million pesos. But now the workers who benefit from this plan do not have to make any initial outlay, and those who have already made the payment will be reimbursed promptly. Thus, we are giving practically 3.3 million pesos to the State Sugar Council.

Finally, yesterday I received a letter from the president of the Dominican Oil Refinery, Ramon Albuquerque. His letter, dated 13 January, stated the following:

"On Saturday the 11th of this month, Maravet and Pemex of Venezuela and Mexico, respectively, informed REFIDONSA of the drop in the prices of various crudes and derivatives that the nation buys from those countries. The combined effect per barrel of crude on the average is 1.48 pesos. The total savings for the country's oil bill will total $15.6 million, considering projected consumption of some 10.5 million barrels in the country this year.

"With the customary greetings and respect, I remain, Mr President, . . ."

As a result of the conditions noted in this letter, and of the austerity and discipline that we have practiced since the beginning of this administration, and especially since 23 January of last year, we were able to close the year on 31 December with a budget surplus of more than 15 million pesos. Despite the obstacles posed by Congress, we managed to save money through a serious, firm, responsible and honest policy. Now that our oil import bill has eased slightly, we have instructed the secretary of commerce and industry this evening to transfer these savings to the Dominican consumer instead of keeping them in the government's coffers. Thus, from now on, a gallon of gasoil will cost 3.45 pesos instead of 3.95 pesos, beginning tomorrow.

This decrease will have many repercussions in all productive spheres of the country, especially in the farm and transportation sectors. We are making this announcement because we are convinced that this would be the best way to deal with this slight drop in the prices of imported petroleum, to further stimulate the Dominican economy.

Finally, I would like to take this opportunity to urge everyone in the government to attend the Dia de la Altagracia services in large numbers throughout the country, especially in Santo Domingo and Higuey. In this manner we will be able to pay tribute to the Virgin of La Altigracia, our spiritual patron, so that she will illuminate all of us and unite us to that we can continue bettering the country's lot during these important and certainly no less difficult moments in Dominican life.

Thank you very much.

8926
CSO: 3248/215

DOMINICAN REPUBLIC

BRIEFS

ARMY, CIVIL SERVANTS CUT CANE--The closing last month of the border between Haiti and the Dominican Republic has cut off the normal flow of Haitian migrant workers to harvest the Dominican sugarcane crop. For the first time in 24 years, the Dominican Army and civil servants are cutting the cane. Fifteen hundred troops began working full time on the harvest last week and were joined this past weekened by government employees, including top aides and President Salvador Jorge Blanco. The government says the sugar harvest is in a state of emergency, and has called on public employees to spend their weekends in the fields. In past years, Haiti has sent 15,000 to 20,000 seasonal canecutters under a contract with the Dominican Republic. This year's contract called for 10,000 to 12,000 but they never arrived. The Dominican Republic closed its border with Haiti last month before Hait's president fled to France to prevent what it feared might be an exodus of Haitians. A spokesman for the Dominican Foreign Office says it is not clear when the border will be reopened. [Text] [Bonaire Trans World Radio in English 1130 GMT 18 Feb 86 FL] /6662

CSO: 3248/271

PLH, PNH STRIKE DEAL; SUPREME COURT, CONGRESS PARTITIONED

Formula Utilized

Tegucigalpa LA TRIBUNA in Spanish 22 Jan 86 p 44

[Text] The five to four and four to five formula in deciding the makeup of the National Congress' governing board and of the Supreme Court of Justice is the foundation of the national patriotic pact that MONARCA [Rafael Callejas National Movement] and the Azconista Liberal Movement have signed and that legislators from the two groups ratified yesterday.

According to the statements of the current designate, Celeo Arias Moncada, the governing board of the Congress will be composed of: Carlos Orbin Montoya, president; Orlando Gomez Cisneros, first vice president; Jorge Roberto Maradiaga, third vice president; Oscar Melara, first secretary, and Armando Rosales Peralta, first assistant secretary, all of them from the Azconista Movement.

MONARCA will control the posts of second and fourth vice president, second secretary and second assistant secretary.

As far as the makeup of the Supreme Court is concerned, five magistrates will be from the National Party, including the chief justice, and the four remaining justices will be from the Azconista Movement.

Arias Moncada asserted that both Rafael Leonardo Callejas and President-elect Jose Azcona plan to place PINU [Innovation and Unity Party] professionals and Christian Democrats on the next Supreme Court.

"What we want," he said, "is an independent Judiciary, because during their election campaigns both Callejas and Azcona underscored the need for true independence in the administration of justice and for the courts to be run by people who have no commitment to the traditional political parties."

Separately, MONARCA was reportedly going to nominate Nicolas Cruz Torres for second vice president of Congress, Roberto Ramon Castillo for fourth vice president, Jacobo Omar Hernandez Cruz for second secretary and Rodolfo Irias Navas for second assistant secretary.

Rodista Faction Abstains

Tegucigalpa LA TRIBUNA in Spanish 24 Jan 86 p 54

[Text] "We believe that the governing board of the National Congress should consist mostly of people from the Liberal Party, because it won the election, as well as people from the other political parties, especially the National Party," said Congressman Carlos Roberto Flores in explaining why the Rodista legislators abstained in the vote on the legislative chamber's governing board.

Flores said that he was not questioning any of the individual choices. "The president of the Congress more than deserves the post, we feel; we could even say that he has earned it. We have to publicly acknowledge this in light of his political struggle."

"I think that the people who have been chosen to guide this Congress are worthy individuals."

"Now then," he continued, "since this is part of a pact signed in advance by two important groups, one from the Liberal Party and the other from the National Party, and since we did not sign the pact, what we have done on this occasion was simply to abstain from voting."

Azcona Distrusts Rodistas

Tegucigalpa LA TRIBUNA in Spanish 21 Jan 86 p 3

[Text] President-elect Jose Azcona last night rejected an offer of support from the 18 Rodista lawmakers who would vote in favor of a Liberal majority on the Supreme Court and the governing board of the National Congress. Azcona turned down the offer shortly after his movement and the National Party signed the pact apportioning the makeup of the governing board of Congress and the Supreme Court.

After the offer from the Rodista Liberal Movement was made public, Azcona himself said that he could not trust such a proposal because as late as yesterday he was being harassed by the same Rodista congressmen who were now offering him support.

"The Executive Central Committee, which by the way is outside the law, took the liberty of going to the Finance Ministry to withdraw the political debt and instead of handing it over to me, as the Electoral Law provides, the finance minister, in clear violation of the law, handed over to the Central Executive Committee 2 million lempiras, 1.6 million of which belongs to yours truly," the president-elect remarked.

He went on to say that yesterday he had a talk with the chairman of the Central Executive Committee, Juan de la Cruz Avelar, who told him that they were going to give him the money in installments. "This is an abuse that comes under the heading of a crime," Azcona charged.

"How can I trust people who dare to deny a president-elect the money that is rightfully his?" he asked, adding: "This is an arbitrary and unspeakable act that is more than criminal."

"I believe in the offer that Carlos Flores made," he indicated, "because I regard him as an honorable man who acts with the interests of the Liberal Party uppermost in his mind, but the actions of some Rodista congressmen before and after the elections give me absolutely no reason to trust their offer of support."

He said that he would have to speak personally with each of the 18 Rodista lawmakers who support the government [oficialistas] to convince himself that they are really acting "sincerely and with good will in making the generous offer."

He announced that today he would send his attorney, Carlos Falk, to the Central Executive Committee to pick up his portion of the political debt, because he owes the money to a number of private institutions for services they rendered during the election campaign and has to pay them as soon as possible.

"What can we expect from the Rodistas when they abusively, arbitrarily and irresponsibly fail to keep their word to the man who was elected president of Honduras?" he asked once again.

He repeated that he believed Congressman Carlos Flores was acting in good faith but that he did not expect the 18 Rodista lawmakers to make good on their generous offer, adding that he would go to his grave mistrusting the group that has been dubbed "oficialista."

Labor Reviews Pact

Tegucigalpa LA TRIBUNA in Spanish 22 Jan 86 p 2

[Article by Francisco Hernandez]

[Text] Most labor and peasant leaders called the pact between the Azconista Movement and the Rafael Callejas National Movement a "mere parceling out of jobs" and came out for a true National Accord in which the country's political, economic and social sectors would be involved.

Labor leaders felt that there can be no talk of a "Great National Accord" right now because only the branches of government, part of the civil service and part of the diplomatic corps have been apportioned between the two factions of the Liberal and National parties that won a majority of the votes at the recent election.

They also noted that the politicians involved in the pact have forgotten that they owe their popularly elected posts to their active participation in the search for a solution to the recent institutional crisis.

Other labor leaders felt, though, that the pact "is necessary for the country" and that "it is the only way that the administration of President-elect Jose Azcona can be successful." They all agreed, however, that a national accord could be put together only if all the country's sectors were involved.

Here are their opinions:

The Biggest Slice of the Pie

Marcial Caballero (secretary general of the UNC [National Union of Peasants]): "What the Azcona and the Callejas factions have done by means of this pact is to divide up the pie, and it would seem that they are vying to see who gets the biggest slice. A National Accord has to provide for the participation of all the country's sectors; it cannot be unilateral, like this one."

In Montoya's Interest

Victor Inocencio Peralta (assistant secretary general of the UNC): "I am categorically stating that they have handed over power to the National Party, all because Carlos Montoya wants to be president of the National Congress. He doesn't care about handing over power to his longstanding adversary, and much less about the interests of the people.

"With the signing of the pact, the National Party is assured of victory in the 1989 elections, because besides the Supreme Court, it will control the National Election Tribunal. The Azconistas chose to ally themselves with their strongest rival and the future winner.

"A National Accord does not exist, because if it did, Azcona would not have turned down the offer of the party's government-backing faction to support him unconditionally with its 18 legislators.

"Azcona's administration is going to be extremely weak and dependent on the Callejas faction. The best thing would have been first to unify the Liberal Party and then think about alliances with other political sectors."

No Integration

Hector Hernandez (top leader of the FUTH [Unitary Federation of Honduran Workers]): "I am disappointed because instead of providing the integration that he promised, the president-elect has divided up jobs with his closest rival, the National Party.

"I am in favor of a broad national accord in which all of the country's sectors would be involved, because the Azconistas have put together an agreement with the sector that has kept our country back the most."

Meeting Among All Sectors

Andres Victor Artiles (secretary general of the CTH [Confederation of Honduran Workers]): "First of all, a meeting is urgently needed among all national sectors to analyze our real problems and come up with prompt solutions.

"The pact that the country's two largest political movements have signed is a poor move if its only objective is to divide up public posts, but then again, it could actually pursue the goal that the parties to the negotiations have talked about.

"As civilized individuals, all of us Hondurans are obliged to engage in dialogue with whatever sector as long as it works to the benefit and unity of the Honduran people."

Azcona Should Unite Liberals

Felicito Avila (secretary general of the CGT [General Central Organization of Workers]): "The accord that the Callejas and the Azcona factions have reached is political and has to do with the makeup of government branches.

"The accord should be broader, encompassing all of the segments of Honduran society, because there can be no national accord unless there is a move towards a broad-based dialogue around a National Development Plan that will involve all able-bodied Hondurans in furthering the nation's greater interests.

"At this point it is legitimate for the two largest factions of the traditional parties to have come to terms, but it cannot boil down to a mere compromise. The involvement of all Hondurans is needed to develop the policies and strategies of the National Development Plan.

"Nevertheless, this alliance could mark the start of a Great National Accord.

"It should be Mr Azcona's duty to try and unify the Liberal Party, because he would thus be helping greatly to strengthen the current democratic process."

Best Thing

Marco Tulio Cruz (president of the FASH [Authentic Trade Union Federation of Honduras]): "The signing of the pact is the best thing that could have happened. A single party cannot govern in this country.

"But the accord should also include the four political parties and their respective factions."

Favorably Viewed

Oscar Escalante (assistant secretary general of the CGT): "Any move that helps to strengthen democracy is looked upon favorably by all Hondurans, and I want to go on record in favor of the accord.

"Nevertheless, an accord among all of the country's sectors is necessary, because we have to consider the national context for Honduras' development, not just see to the composition of government branches.

"I am pleased that the Supreme Court will be in the hands of the Callejas Movement and I trust that it will seek out the most capable and honest men to administer justice, because judicial outrages have been committed up to now."

Will Not Sit Idly By

Francisco Urmeneta (top leader of the FECESITLIH [Central Federation of Unions of Free Honduran Workers]): "It would have been very significant if the politicians who were involved in the negotiations that led to the signing of the pact had invited labor and other sectors of the nation.

"But we will not sit idly by. We will wait and see whether Mr Azcona's administration complies with Paragraph 7 of the Compromise Act signed at the Air Force facility on 21 May of last year."

DC, PINU Excluded

Tegucigalpa LA TRIBUNA in Spanish 17 Jan 86 p 54

[Text] The Christian Democrats and PINU did not show much enthusiasm yesterday about the negotiations between the Azconista movement and MONARCA to form a national unity government, as it was confirmed that neither group has been formally invited to attend any talks.

Leaders of both parties confirmed that besides not having been invited by the Azconistas, even if they were to be invited, they would not join in the dialogue right away; instead, they would have to submit the invitation to their top echelons for their consideration.

The Christian Democrats reported that if the Azconistas were to extend them an invitation, they would have to call an emergency National Caucus [Instancia Nacional], which is an ad hoc consultative and advisory body, to hear its recommendation. Then, a full session of the National Board of Directors would have the final say, taking into consideration the recommendations of the caucus.

The PINU would have to consult with its Political Commission, and then, based on its recommendations, the Central Board of Directors would decide whether or not to join in the dialogue.

The faction of the Liberal Party that backs the government and the Carlos Roberto Reina and Efrain Bu Giron factions also reported that they had not received formal invitations to participate in the talks. The same goes for the government-backing faction of the National Party, which is led by Juan Pablo Urrutia Raudales, and the faction headed by Fernando Lardizabal.

Several leaders of these movements said that they would wait for a formal invitation to decide whether or not to attend the dialogue that the Azconista faction has proposed.

ALIPO Acquiesces

Tegucigalpa LA TRIBUNA in Spanish 23 Jan 86 p 3

[Text] Jorge Bueso Arias, the head of ALIPO [People's Liberal Alliance], justified the alliance's change of position on the coalition between the Callejas and Azcona factions by asserting that a pact had already been signed by Jose Azcona Hoyo. He admitted, however, that "the other move" [unifying the Liberal Party] would have been better but that for the time being they could only accept the pact inasmuch as the congressmen acknowledged that "intentions are good."

"Mr Azcona is the president-elect; he signed the pact, and the majority of Azconista congressmen are in agreement; those are the facts. ALIPO wanted to unify the Liberal Party; we said so some days before," he stated.

As for the Judiciary, "we would have liked for it to retain a majority of honest, capable Liberal magistrates, who would be a guarantee for all Hondurans."

He recalled that "the Liberal Party got more votes, and therefore I want the Liberals to do the governing. The numbers show that Callejas got more votes than Azcona, but the fact is that the Liberal Party outpolled the National Party, and there is not an Azcona party and a Callejas party. There is a Liberal Party and a National Party, and we Liberals won in free elections," he noted.

He clarified that the ALIPO people are not in one hundred percent agreement with the pact that National and Liberal party leaders have signed, because they were not consulted, which caused resentment. But "it is an accomplished fact, and if anything is to be done, it is up to the congressmen," he stated.

"We do not support it warmly, but it is a political fact, and our deputies are not going to play the role of an opposition. They will always take a strong, independent stand and work as part of the Azcona faction. They will be free to vote on the decisions of the National Congress as they see fit," he said in conclusion.

SECOPT Minister Critical

Tegucigalpa LA TRIBUNA in Spanish 23 Jan 85 p 3

[Text] The pact with the Callejas Movement is not good for the Liberal Party, because President-elect Jose Azcona "is going to be blamed for all of the bad consequences of hasty, thoughtless decisions," the future minister of communications, public works and transport, Juan Fernando Lopez, stated yesterday.

He remarked that he believes "the words of Mr Callejas, but he is not running the party, and the people who back him are, as always, sweet-talkers who have no liking for the Liberal Party, and it is just not possible for them to start liking it overnight."

Lopez noted that "the difference in vote totals was not as great as on previous occasions. So, they must really want to grab power any way they can."

For these reasons, he indicated that as far as he is concerned, the pact "is one of the little tricks of these conservatives."

PDCH Alarmed

Tegucigalpa LA TRIBUNA in Spanish 24 Jan 86 p 54

[Text] The Christian Democratic Party regards "political negotiations and alliances as normal, but we do not think that a pact to reconcile partisan interests can be portrayed as a broad national accord," asserted Congressman Efrain Diaz Arrivillaga.

The Christian Democratic lawmaker set forth his party's stand on the recent developments in the National Congress, asserting that "we Hondurans have already had bitter experiences with the little pacts that the traditional parties have entered into in the past and that have had dire consequences for the nation."

He went on to say: "We want to make our position clear. As far as the Honduran Christian Democratic Party (PDCH) is concerned, a national accord can be based only on shared national goals that will enable us to lay the groundwork for a national agenda that is the result of an understanding among all segments of Honduran society, not just among political party factions."

It is unacceptable, he said, for "the Judiciary to be the object of a partisan political apportionment, because this politicizes it and detracts from its independence. What has to be preserved is its honesty, credibility and impartiality in the administration of justice."

"An accord like the one that sets the stage for the election of the National Congress' governing board is a move backwards," he went on to say; "it is not an answer for the country, it is by its very nature cliquish, hampers a real national accord, and does not pave the way for honorable changes on the domestic and international scene."

Callejas Outlines Position

Tegucigalpa LA TRIBUNA in Spanish 24 Jan 86 p 57

[Text] MONARCA will maintain its contacts with the Azconista Liberal Movement through the appropriate channels, said Leonardo Rafael Callejas, who also noted that "the Liberals had to negotiate with some political group or party because they are not in the majority in Congress."

Callejas asserted yesterday that he was willing to attend all of the ceremonial acts to which he is invited during the inauguration of President-elect Jose Azcona.

Referring to the pact signed with the Azcona faction, Callejas asserted that "it is beneficial, mainly because it will give us access to something that we did not have under the outgoing government, the courts of instance, which issue replacement birth certificates for our citizens."

This, he said, "means that we can register all of our fellow party members; this is a breakthrough only for the National Party of Honduras."

With regard to the administration of justice, he went on to say, "we will nominate honest, honorable and capable magistrates who represent what we called for during our campaign: a judicial system based on education and civil rights."

With respect to the upcoming convention, Callejas said that at it the party will merely nominate the committees charged with drafting amendments to the Electoral Law and to the National Party Bylaws and elect the Political Commission, the Central Committee and other National Party bodies and political personnel, as well as call for a Special Convention probably within 6 months.

The purpose of the convention will be to discuss views on national problems and the positions that the National Party ought to take during the next campaign, he added.

Callejas felt that the fact that Oswaldo Ramos Soto and Carlos Lopez Contreras are interested in seeking the presidential nomination at the next election is a sign of the democratization that the country is undergoing.

"I feel that they are entitled to run, and we are not going to thwart their ambitions in any way. This is why we are going to call for amendments to the Electoral Law, which we will make part of the party's bylaws, so that the year before the election campaign the National Party can hold internal elections to select its candidate for president of the republic."

Callejas rejected the view of the Liberal Party faction that backs the government to the effect that the National Party has come out ahead under the political pact with the Azcona faction; he said that "the sole purpose of the accord is to structure the Legislature."

This must be made clear, he emphasized. "The people should know that the Liberal Party had exactly 67 congressmen, and you need 68 to install Congress and have a majority on the governing board."

This means, he added, that "the Liberal Party, in one way or another, had to seek a short-, medium- or long-term alliance either with the National Party, PINU or the Christian Democrats."

Apparently, he underscored, "this has been ignored in the political discussions; in other words, if the Liberal Party did not have a partner in Congress, the governing board could not be elected, with the resulting harm from shattering the constitutional structure of the republic."

"They (the Azconistas) chose to talk with us, and we have thus formed the Legislature," he stressed.

"This is not a pact; it is a political necessity for setting up a governing board, because you need 68 and the Liberal Party had only 67. No further explanation is necessary," he indicated.

MOLI Chastises President

Tegucigalpa LA TRIBUNA in Spanish 25 Jan 86 p 2

[Text] President-elect Jose Azcona "is making the biggest mistake in his life by entering into an agreement with the Callejas National Movement, just to let one person run Congress," stated Oscar Servellon Silva, the president of the Independent Liberal Movement (MOLI).

He also stated that "the decision by the Azcona Movement was painful to Liberals, inasmuch as the fundamental task was to unify the party and to see to it that the votes that the other factions contributed to achieve victory worked for the good of Honduras."

Servellon Silva reminded the ALIPO-Azcona coalition that they won the elections with the votes of Rodismo, M-LIDER and Efrain Bu Giron. "For this reason they should have consulted with these movements, not ally themselves with the people who have always been the party's adversaries."

The MOLI leader criticized the Azcona Movement, saying that "there are many bitter, resentful and parochial people there; power has gone to their heads, and they are thus forgetting that they won the elections with all the votes cast for Liberals."

Servellon Silva said in conclusion that this first move by the Azconistas is a big mistake, wondering accordingly "what its other decisions will be like."

Azcona Answers Charges

Tegucigalpa LA TRIBUNA in Spanish 28 Jan 86 p 14

[Text] "I am completely free to pick the ministers I want, and no one has pressured me to choose any of them. If two National Party ministers are included, it is because I have selected them," the country's president-elect, Jose Azcona Hoyo, stated bluntly last Saturday in San Pedro Sula.

Speaking plainly, Azcona Hoyo also asserted that "I have not signed any pact, and I can say so with total sincerity. I have not put my signature on any pact..."

He noted, however, that "what the Liberal congressmen in our group have done is reach an understanding with the National Party wing, and I don't see this as bad for Honduras, especially if decisions are honored and if it is for the good of our democracy."

Cannot Understand

He was asked about the motion that the ALIPO congressmen submitted last Saturday in the National Congress, calling for the Supreme Court to include representatives of the various political and social sectors. President Azcona Hoyo commented: "I don't understand...I don't know what has happened in the National Congress. The legislators are free to act; I don't have any decision-making power over any of them, nor am I interested in having it."

He added on this point that "I have said so often. The congressmen's function is legislative, and they are free to discharge it as they see fit."

National Party Dominance

The president-elect had this to say about the National Party's control of the Supreme Court and the Labor Ministry, the former seriously criticized by ALIPO and the latter by a broad segment of the labor and peasant movement.

"I don't know...I think they have an extra justice (on the Supreme Court), but this does not mean control. I think that all of this business about why someone has power is just partisan politics; we should be putting this behind us in Honduras," adding that "sectarianism has been left behind..."

"In the government...I have complete freedom to pick the ministers I want, and no one has pressured me to choose any of them. If two National Party ministers are included, it is because I have selected them and because I think that the foreign minister will be good for Honduras because he has experience."

A reporter asked him: During your campaign you promised that the Judiciary would be independent. However, a certain segment that is already opposing your administration is asking how it can be independent if it consists only of Nationalists and Liberals.

Azcona Hoyo replied that "when we talk about an independent Judiciary, we mean that it is not going to have ties, that it will not be subordinate to government decisions. This is what we mean by independence, that the three branches are on the same level, that none is subordinate to any other. This is exactly what we mean by independence, and we cannot go looking for men who do not belong to one or the other party in Honduras."

No Secret Budget Items

The new Honduran chief executive confirmed that he would not have any secret budget items, as his predecessor did. "I'm not going to use secret budget items. I'm going to use discretionary items, but the people will know where the money is going..."

He refused to elaborate on the issue of the contras fighting against the Nicaraguan Sandinist regime, "because every time I express my opinion, it gets turned around." In other words, his statements have been twisted.

They Took My Money

Visibly annoyed, Azcona Hoyo accused the Liberal Party faction that backs the government of "having taken my money. They have to give me back 1.6 million lempiras..."

When asked whether this does not further heighten the friction between the Azcona and the government-backing factions, he replied: "I can't give that money away, because I'm not rich. They have to give it back to me, and the finance minister knows it well. Now then, this is not revenge, because what they've done with my money is an unspeakable abuse..."

He said that he needed the money to pay back several companies to which he is heavily in debt, including the Honduran Television Company and others.

Political 'Deal' Positive

Tegucigalpa LA TRIBUNA in Spanish 25 Jan 86 p 2

[Editorial: "The National Unity Pact" (PUN)]

[Text] We are on the verge of a "new dawn."

Now that the Liberal Party faction of Jose Azcona and the National Party faction of Rafael Leonardo Callejas have signed their pact, we can say that we have emerged from the Middle Ages and are on the threshold of the Renaissance.

We regard the political and administrative integration of these two factions as important for the consolidation of the incoming administration. After all, the Callejas faction garnered the most votes in the election, followed by their alliance partners, the Azconista Movement. Together, the two groups have public opinion behind them.

The National Unity Pact (PUN), to which they have tacked on "patriotic," lays the groundwork for the future government. We can properly say, then, that just as the previous one was the "democratic and constitutional government of Dr Roberto Suazo Cordova," the incoming one will be the "democratic and constitutional government of Azcona and Rafael Leonardo Callejas."

One group will dominate in public administration, the other in the Supreme Court. The two have a balanced role in the National Congress and the Executive branch; the same applies to electoral bodies.

It seems to us that the people who conceived the PUN did so with the collective interest in mind. They had their minds on the sought-after goal of integration; they concluded that to resolve the country's problems we needed a concerted effort if not among all sectors, at least between the two most important political groups.

We also believe that the model fits the U.S. Embassy's bill as well as the prince's slipper fit Cinderella's foot: the majority Callejas faction sharing responsibilities in a government headed by Jose Azcona as president.

How else can the country address issues as serious as the ones it is facing today, such as the border demarcation, aid for the Nicaraguan contras, etc, etc? Only by forming a strong government in which the two largest political movements can combine efforts and share responsibilities. Now is no time to think as Liberals or Nationalists. Now is the time to think as Hondurans. In any event, the Americans do not care whether the Liberals or the Nationalists win; what they want is a strong government, in the above sense.

Such a government does not need the approval of all sectors. A majority is enough. The future government of Jose Azcona and Rafael Callejas is starting with a broad base from which it can later bring in blue-collar workers, peasant farmers, businessmen and professionals, so that they can all contribute equally.

Some will object to the National Unity Pact, but they are in the minority. The pact could well have comprised other groups such as the Christian Democrats or PINU or sought a better understanding among Liberal factions, but this would be asking too much. The alliance could well have been based on an ideological consensus, a government program or a national accord, not just on a mathematical apportionment of public offices; we also know, however, that such things are highly theoretical and that we Hondurans are pragmatic.

For the time being, then, we should not view the National Unity Pact with such mistrust; rather, as on Christmas and New Year's Day, we should wish it good luck and prosperity. We also clearly see that this is a new dawn for Honduras, and there is no reason to even conjecture that yesterday's PUN is the same as the new dawn's PUN.

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CSO: 3248/234

SURINAME

BRIEFS

OVERPRICED GOODS SEIZED, SOLD--The Price Control and Price Stabilization Service impounded on Wednesday morning 400 chickens that were being sold by a vendor for an excessive price. The fowl seized were taken directly to the Central Market and sold under supervision to consumers at the authorized price of 5 Surinamese guilders per kilogram. The vendor had been asking 7.5 Surinamese guilders per kilogram. On Tuesday, the same service seized a number of bicycle tires from a bicycle parts dealer. The shopkeeper had been selling the bicycle tires for 75 Surinamese guilders each, while the authorized price set by the Transportation, Trade, and Industry Ministry is 28 Surinamese guilders. The tires will be sold by the service at a later time at the authorized price. [Text] [Paramaribo DE WARE TIJD in Dutch 30 Jan 86 p 1] /6091

NATIONAL ASSEMBLY MEMBERS RESIGN--Mrs Yvonne Baal and Ted Mahadewsing of the 25 February Movement have resigned from the National Assembly as of 1 February. It is expected that very shortly new members will be named to take their places. They both had been members of the body since its establishment a year ago. Mrs Baal has been very busy as a staff member of the University Bureau. Moreover, she has homemaking duties. The combination of these activities with membership in the Assembly was no longer manageable for her. Ted Mahadewsing lives and works in Nickerie and has to commute for Assembly meetings. He has now found it increasingly difficult, since he also serves on an administrative board in the rice district. [Text] [Paramaribo DE WARE TIJD in Dutch 4 Feb 86 p 1] /6091

CREDIT AGREEMENT WITH BRAZIL SIGNED--The Hague/Paramaribo, 3 Feb--Surinam said it had signed a credit agreement with Brazil worth 20 million dollars (some 55 million guilders) during last week's visit to the country by a Brazilian mission. Brazil pledged the credit late last year when a Surinam delegation visited the country. Surinam said it would use the money for a telecommunications project, the production of ceramics, a supermarket, the processing of fruit, vegetables and meat and the production of babyfood. [Text] [The Hague ANP NEWS BULLETIN in English 3 Feb 86 p 9] /9274

CSO: 3200/15

GOVERNMENT ISSUES STATEMENT ON TRADE WITH BARBADOS

Port-of-Spain TRINIDAD GUARDIAN in English 5 Feb 86 p 1

[Text] WITH the exception of garments, all applications for import licences for Barbados are being processed promptly, the Ministry of Industry, Commerce and Consumer Affairs announced yesterday.

In 1985, licences to the value of $90.5 million were issued, and already in 1986 licences for $4.4 million have been approved, said the ministry's statement which sought to clear the air on reports of difficulties in trade relations between Barbados and Trinidad and Tobago.

In its statement, the ministry declared:

The attention of the Ministry of Industry, Commerce and Consumer Affairs has been drawn to continuing reports relating to difficulties in trade relations between Barbados and Trinidad and Tobago. In this regard, the Ministry wishes to make the following statements:

With the exception of garments all applications for import licences for Barbados are being processed promptly. In 1985 licences to the value of $90,501,300 were issued, and already in 1986 licences for $4,420,000 have been approved;

In respect of garments, this country announced early in 1985 a stabilisation period of 18 months during which there would be restrictions on the importation of garments as part of a series of measures to facilitate revitalisation of the local industry. In the context of this decision, it was subsequently agreed and announced that garment imports in 1985 would be limited to 50 per cent of the 1984 level. There was a further requirement that importers source a substantial part of their purchases from Caricom countries. Barbados has been a beneficiary under this regime.

This Ministry is not aware that there has been any prohibition on the importation of detergents from Barbados. In fact 15 licences to a value of $3,354,759 for the importation of detergents from Barbados were approved in 1985;

The Ministry is aware that in many instances persons who apply for licences fail to collect the licences when processed so that the impression can be conveyed that their applications are still outstanding. In recognition of this to to remove any wrong impressions, this Ministry has provided the Barbados High Commissioner in Trinidad and Tobago with a statement of uncollected licences for goods from Barbados;

One common area of complaint, has been that in some instances when licences have been approved, importers have been unable to obtain the necessary exchange control approvals. At the last Caricom Council of Ministers meeting the Minister gave the undertaking that Trinidad and Tobago would harmonise the issue of licences with the granting of E.C.O. approvals. This has been done for Caricom goods and is effective for all 1986 imports;

Trinidad and Tobago does not see its licensing system as being in restraint of trade in the context of the Nassau Accord. Admittedly there has been a decline in imports from Barbados during 1985 but this is not attributable to the licensing system; the explanation seems to be rooted more in the changed economic situation which has resulted in a decline in purchasing power and a significant reduction in the level of total imports.

It is instructive to note that for the period January to November 1985, imports from Barbados amounted to approximately $46 million, but for the same period a total of 699 licences with a value of $85.9 million have been issued.

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CSO: 3298/320

TRINIDAD AND TOBAGO

MANNING PESSIMISTIC ABOUT REFINING VENEZUELAN CRUDE

Port-of-Spain TRINIDAD GUARDIAN in English 5 Feb 86 p 4

[Text] ENERGY Minister Patrick Manning, giving the latest position on the move by Government to import crude oil from Venezuela to be processed in Trinidad, said that to be able to refine Venezuelan crude locally, certain conditions must be right and one of them was a stable crude price.

"In a period now where oil prices are so unstable, it is unlikely that any agreement can be arrived at," he said.

The Minister said that it could only make sense if the relationship between crude prices and product prices were such that the refinery could be given a margin of profit for processing.

"The markets are too unstable now," he added.

Prime Minister George Chambers said in the 1984 Budget speech that a deal was in the offing with Venezuela for the supply of 20,000 barrels of crude oil a day to be refined at the Trintoc refinery Point Fortin.

To date, no such arrangement has been made for the processing of crude from Venezuela.

On the question of oil prices, Dr. Krishna Persad, Exploration and Production Manager of Premier Consolidated Oilfields, said in the company's budgeting, they assumed that oil prices might go to about US \$17.00 or US \$18.00 a barrel, and then recover.

Mr. Manning said what was taking place now was an attempt by one of the major oil exporting countries to bring about a certain kind of relationship between all oil producers.

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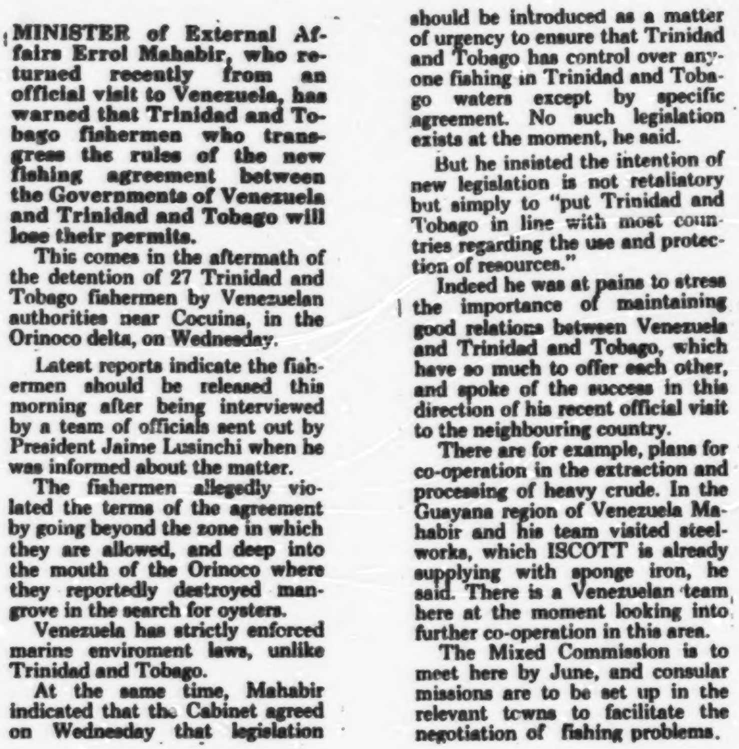
CSO: 3298/320

TRINIDAD AND TOBAGO

MAHABIR CITES TIES WITH VENEZUELA FOLLOWING VISIT

Port-of-Spain EXPRESS in English 7 Feb 86 p 1

[Text]



MINISTER of External Affairs Errol Mahabir, who returned recently from an official visit to Venezuela, has warned that Trinidad and Tobago fishermen who transgress the rules of the new fishing agreement between the Governments of Venezuela and Trinidad and Tobago will lose their permits.

This comes in the aftermath of the detention of 27 Trinidad and Tobago fishermen by Venezuelan authorities near Cocuina, in the Orinoco delta, on Wednesday.

Latest reports indicate the fishermen should be released this morning after being interviewed by a team of officials sent out by President Jaime Lusinchi when he was informed about the matter.

The fishermen allegedly violated the terms of the agreement by going beyond the zone in which they are allowed, and deep into the mouth of the Orinoco where they reportedly destroyed mangrove in the search for oysters.

Venezuela has strictly enforced marine enviroment laws, unlike Trinidad and Tobago.

At the same time, Mahabir indicated that the Cabinet agreed on Wednesday that legislation should be introduced as a matter of urgency to ensure that Trinidad and Tobago has control over anyone fishing in Trinidad and Tobago waters except by specific agreement. No such legislation exists at the moment, he said.

But he insisted the intention of new legislation is not retaliatory but simply to "put Trinidad and Tobago in line with most countries regarding the use and protection of resources."

Indeed he was at pains to stress the importance of maintaining good relations between Venezuela and Trinidad and Tobago, which have so much to offer each other, and spoke of the success in this direction of his recent official visit to the neighbouring country.

There are for example, plans for co-operation in the extraction and processing of heavy crude. In the Guayana region of Venezuela Mahabir and his team visited steelworks, which ISCOTT is already supplying with sponge iron, he said. There is a Venezuelan team here at the moment looking into further co-operation in this area.

The Mixed Commission is to meet here by June, and consular missions are to be set up in the relevant towns to facilitate the negotiation of fishing problems.

[Additional details on the status of the fishing problems and the joint statement issued at the end of Mahabir's visit to Caracas can be found in the Inter-American Affairs section of the JPRS series on Latin America-LAM-86-023 5 March-86]

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CSO: 3298/320

TRINIDAD AND TOBAGO

UNION ACTIVITIES REVOLVE AROUND ISSUE OF UNITY

Weekes' Call for Talks

Port-of-Spain TRINIDAD GUARDIAN in English 3 Feb '86 p 6

[Text]

GEORGE WEEKES, President General of the Oilfields Workers Trade Union is urging president of the Trinidad and Tobago Labour Congress Vernon Glean to ensure that Congress gets together to approve new moves to bring about meaningful deepening unity in the labour movement.

"Whether at the TTLC-CPTU level or the level of the joint trade union grouping, or as one trade union centre."

Mr Weekes despatched a letter to, Mr Glean, in which he made the call for trade union unity.

He told Mr Glean in his letter: 'Once again, I am forced to write you, not only as president general of my union, but additionally as one among many workers and citizens in and out of the labour movement.

"Long disturbed by and disappointed with the failure of the Council of Progressive Trade Unions and the Trinidad and Tobago Labour Congress to meet, discuss and collectively agree to committedly implement decisions unanimously arrived at on more than one occasion on the all important question of unity by joint committee of both trade union centres."

Panday Slap at Labour Congress

Port-of-Spain TRINIDAD GUARDIAN in English 6 Feb 86 p 7

[Text]

PRESIDENT General of All Trinidad Sugar and General Workers' Trade Union, Opposition Leader Basdeo Panday, yesterday hit out at the Tirnidad and Tobago Labour Congress, claiming that Congress to date had not supported the union in any meaningful way in its dispute with Caroni (1975) Limited.

Mr. Panday said: "Congress has got to decide whether it is on the side of the PNM or on the side of the working class. Failure to do so, would mean loss of confidence by the workers in Congress."

The union returned to the Congress fold more than three years ago after dropping out and remaining out for several years.

Mr. Panday gave no indication whether the union would consider pulling out again. But he said the union did not pay its annual contribution for the past year.

Solidarity

Last Labour Day (June 19) a call was made by Mr. Panday for a one-day strike in the country to show solidarity for the sugar workers who were locked and are still engaged in a dispute with Caroni.

The strike has not taken place.

The union is demanding that Caroni withdraw its appeal against the decision of the industrial court in the wages and cost of living allowance dispute. Further, the union is protesting retrenchment and underemployment.

The appeal was filed about 12 months ago. No date has been fixed for hearing.

Tull Response

Port-of-Spain TRINIDAD GUARDIAN in English 7 Feb 86 p 3

[Text]

GENERAL SECRETARY of the Labour Congress Carl Tull yesterday described as "unfortunate" claims by President General of the All Trinidad Sugar and General Workers' Trade Union (ATSGWTU) Basdeo Panday that Congress had not supported the union in any meaningful way in its dispute with Caroni (1975) Limited.

But he said that the organisation would continue to support ATSGWTU in its struggle with the company.

Mr Tull told the "Guardian" that the Congress had made several efforts to resolve the matter on behalf of the union.

"We held meetings with officials of the company, the Board...we even held Labour Day celebrations in Central Trinidad last year as a means of support to the union," he declared.

The latest effort by Congress in the issue, he said, was a public call to Minister of State Enterprises, Mr Ronald Williams, to advise the Board of Caroni to withdraw an appeal against a decision of the Industrial Court.

Mr Tull said he was disturbed by Mr Panday's remarks that the Congress should decide whether it was on the side of the ruling party or the working class.

/9274
CSO: 3298/320

TRINIDAD AND TOBAGO

CARONI SUGAR WORKERS IN WORK-TO-RULE ACTION

Basis of Protest

Port-of-Spain EXPRESS in English 4 Feb 86 p 1

[Text]

TROUBLE is brewing in the sugar industry as over 8,000 sugar workers went on a work-to-rule yesterday to protest the refusal by state-owned Caroni Ltd to withdraw the appeal against the wages decision of the Industrial Court.

The decision to instruct sugar workers to go on a work-to-rule was taken at a meeting of a general counsel of All Trinidad Sugar and General Workers Trade Union on Sunday. The meeting was chaired by Union Leader Basdeo Panday. The workers are expected to meet on Thursday at 4 o'clock at the Rienzi Complex to plan further strategy.

On January 25, 1985, the Industrial Court had awarded wages and COLA increases amounting to some 30 per cent to sugar workers. Caroni Ltd appealed this decision at the Court of Appeal. The matter is still pending in the Court of Appeal.

The workers, according to General Secretary Sam Maharaj, decided to "physically" stop all contractors who were employed by the company to harvest cane. The workers have vowed to throw themselves in front of the mechanical harvesters on the fields if it becomes necessary.

This action is expected to take place on Saturdays and Sundays.

The workers claimed that they were offered only five days' employment while the harvesters were given six- and seven-day contracts.

Speaking from his Palmiste home yesterday, Panday said that he cannot now prevent action by the workers.

Said Panday: "Our workers are on 1982 wages and I keep on saying that they have to pay 1986 prices. The situation is now intolerable.

Panday said that the workers were also protesting the retrenchment and under-employment of workers in the industry. He said the workers were also disturbed about the attitude of the company to union representation.

Sugar workers will refuse to drive vehicles which are defective and will not work outside the job classifications. A union source said that if the company failed to respond, industrial action will be intensified.

The union official declined to state what would be the nature of this intensified action.

Impact on Caroni

Port-of-Spain TRINIDAD GUARDIAN in English 6 Feb 86 p 7

[Text]

THE WORK-TO-RULE in the sugar industry could plunge State-owned Caroni (1975) Limited into further economic trouble, a source close to the company said yesterday.

If the company cannot meet its foreign sugar quotas it would stand to lose about TT $77 million.

Caroni expects to sell 46,700 tonnes of sugar to the European Economic Community (EEC) and 11,300 tonnes to the United States. First shipment is expected to be made later this month.

The company, said one source, is hoping that the work-to-rule which started last Monday would not in any way prevent shipments from leaving the country.

Current price on the EEC market is TT $1,300 a ton; and on the U.S. market TT $1,400. The prices are somewhat encouraging.

The company has projected an overall increase in revenue between 1985 and 1988 of about $38 million and hopes to reduce its expenditure over the same period by about $30 million.

Apart from sugar, Caroni has gone into diversification with the hope of earning substantial profits.

The company said a few weeks ago that the increase under the diversification crops would be expanded rapidly, but carefully. There are 10,000 acres of former cane lands available for new crops.

Rice, citrus, coffee, cassava, banana and plaintain cultivations and a 10-acre passion fruit project in conjunction with Cariri are to be enlarged substantially in 1986.

Union's Position

Port-of-Spain EXPRESS in English 27 Feb 86 p 5

[Text]

ALL Trinidad Sugar and General Workers' Trade Union leader Basdeo Panday said on Wednesday he would be visiting every cultivated section of State-owned Caroni Ltd on Saturday to determine whether sugar workers were prepared to struggle for improved wages and job security.

Said Panday: "If they don't turn out to support the struggle, that will be their business. I know that I will have done my part."

Sugar workers decided earlier this week to use physical force, if necessary, to stop the contracted mechanical harvesters from working during Saturdays and Sundays. Cutter/bundlers now work for five days while the mechanical harvesters are contracted for six and seven days.

The union called on the 8,000 sugar workers to go on a work to rule last Monday. The action was taken to protest the refusal of Caroni Ltd to withdraw the appeal against the wages and COLA by the Industrial Court on January 25, 1985.

The company gave a sharp response to the union's actions saying that it will harm both the company and the cane farming sector.

Panday rebuked Trinidad Islandwide Cane Farmers' Association (TICFA) chairman, Seepersad Arjoonsingh for his remarks about the work-to-rule action.

Said Panday: "Arjoonsingh knew one year ago that the PNM had instructed the company to appeal yet he did not lift a finger to assist. Let Arjoonsingh know that the sugar workers do not want his support and what he says is of little interest to them."

Asked about the Labour Congress' help in resolving the situation, Panday said that Congress had gone as far as it was prepared to go on the matter. He said that the union now had to take the struggle in its own hands and resolve the issue in the only way open to it now.

/9274
CSO: 3298/320

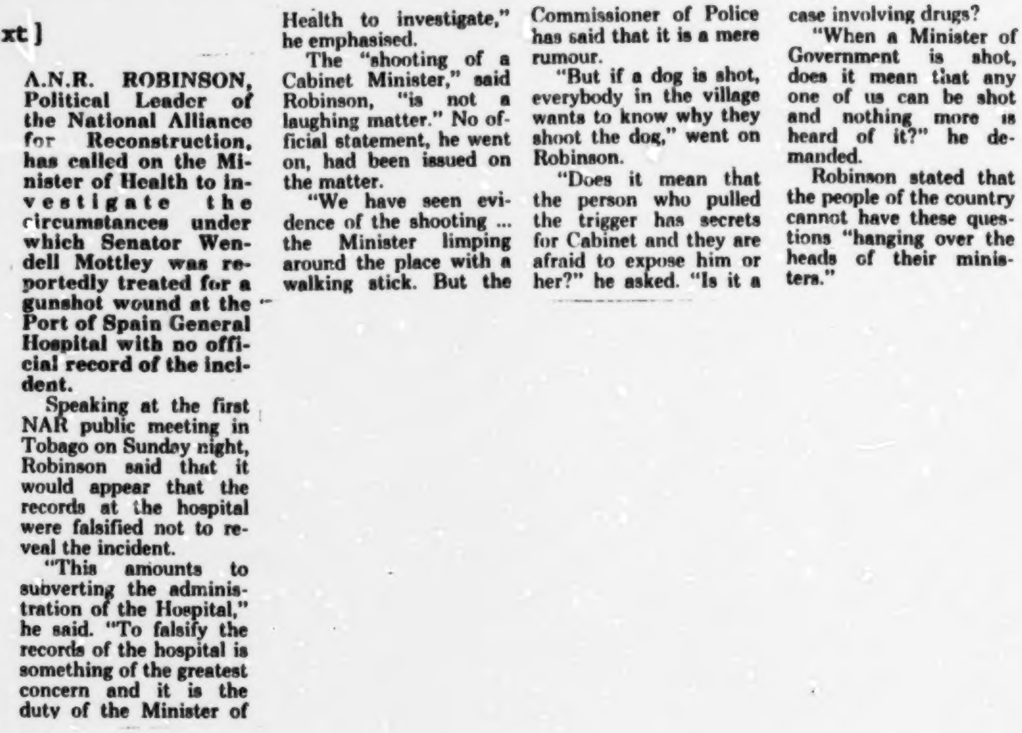
TRINIDAD AND TOBAGO

ROBINSON CALLS FOR PROBE OF MOTTLEY SHOOTING INCIDENT

Port-of-Spain EXPRESS in English 30 Jan 86 p 7

[Article by Compton Delph]

[Text]



A.N.R. ROBINSON, Political Leader of the National Alliance for Reconstruction, has called on the Minister of Health to investigate the circumstances under which Senator Wendell Mottley was reportedly treated for a gunshot wound at the Port of Spain General Hospital with no official record of the incident.

Speaking at the first NAR public meeting in Tobago on Sunday night, Robinson said that it would appear that the records at the hospital were falsified not to reveal the incident.

"This amounts to subverting the administration of the Hospital," he said. "To falsify the records of the hospital is something of the greatest concern and it is the duty of the Minister of Health to investigate," he emphasised.

The "shooting of a Cabinet Minister," said Robinson, "is not a laughing matter." No official statement, he went on, had been issued on the matter.

"We have seen evidence of the shooting ... the Minister limping around the place with a walking stick. But the Commissioner of Police has said that it is a mere rumour.

"But if a dog is shot, everybody in the village wants to know why they shoot the dog," went on Robinson.

"Does it mean that the person who pulled the trigger has secrets for Cabinet and they are afraid to expose him or her?" he asked. "Is it a case involving drugs?

"When a Minister of Government is shot, does it mean that any one of us can be shot and nothing more is heard of it?" he demanded.

Robinson stated that the people of the country cannot have these questions "hanging over the heads of their ministers."

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CSO: 3298/320

TRINIDAD AND TOBAGO

NAR WARNS OF PNM ATTEMPTS TO EXPLOIT RACIAL ISSUE

Port-of-Spain TRINIDAD GUARDIAN in English 5 Feb 86 p 18

[Text]

CHAGUANAS — FORMER Attorney General and now Deputy Political Leader of the National Alliance for Reconstruction, Karl Hudson-Phillips has urged the country to be on the guard for attempts by the P N M to divide the country on ethnic and racial lines.

Mr. Hudson-Phillips was speaking at a meeting of the NAR at Chaguanas on Friday night. "You must guard against the PNM attempting to divide the country between ethnic and racial lines because there are a sufficient number of people in the P.N.M. to make such kinds of mischief," he said.

He charged that the P N M. was again raising the "old racial bogey." They succeeded with the Baptist Letter, but would not suceed with any such mischief again.

Acknowledging that his Political Leader A.N.R. Robinson has assigned him the role of campaign manager for the next elections, Mr. Hudson-Phillips termed it a "difficult job" which required a high level of sensitivity and strategy depending in which part of the country you were in.

He said the NAR was poised for political victory. The coming together of the three leaders signalled national unity in the interest of all the peoples of our country. He continued: "We have Trinidad and Tobago before ourselves and our parties. We have put aside personal ambitions in the name of the national interest."

Mr. Hudson-Phillips spoke of "vicious racial slogans" already painted on walls and other conspicuous places.

"There is no success story for this government in finance, health, agriculture, transportation, education, foreign affairs and even in the Attorney General's office," he said.

He criticised Prime Minister George Chambers for not going to Mustique in order to "tell President Hoyte of Guyana that we don't like what he is doing in Guyana."

Mr. Hudson-Phillips said that N A R stands for "integrity, decency and commitment to the people of Trinidad and Tobago,' adding that Opposition Leader Basdeo Panday is "a man who sticks to his word, a man of high ideals and principles, one who is committed to the unity and commitment of all the races in Trinidad and Tobago."

He predicted that a number of incumbents in the P N M., including Manic Ramsaran, MP for Caroni East, would all become "one-term Members of Parliament."

Opposition Leader and Deputy Leader of the N A R Basdeo Panday warned certain councillors of the Caroni County Council that "your behaviour cannot be tolerated much longer."

Referring to members of the NAR-controlled council, Mr. Panday said: "Councillors of the Caroni County Council have been doing a fantastic job in spite of the obstacles, and I want to tell you that to act in disunity and disrepute will be playing right into the hands of the P N M."

Racial War

Mr. Panday termed councillors "soldiers and ambassadors of our party."

Turning to the formation of the NAR as "one single party united to uplift the social, moral, economic, spiritual, and political standards of our country, he said there's never been such a remarkable action of unity and statesmanship coming together like this since the days of Butler and Rienzi.

He said that Government, with more than $60 billion, failed to transform the country into "a veritable paradise."

Turning to Gypsy's calypso, "The ship is sinking," Mr. Panday stated that if the captain was an efficient and proper one he would have never allowed the ship to sink.

The Opposition Leader warned his audience of "a strategic move by the P N M to start the usual racial war."

A.N.R. Robinson, Political Leader, stated that instead of 1985 being celebrated as the International Year of the Youth, it was rather being observed in this country as the "Year of Protest" alluding to Senator Lincoln Myers's fasting about public accountability. He stated that the observance of the year here according to P N M.-style "degenerated and disintegrated the spiritual, moral and social status of our young people."

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TRINIDAD AND TOBAGO

FAVORABLE TRADE BALANCE RECORDED FOR JANUARY-NOVEMBER 1985 PERIOD

Port-of-Spain SUNDAY EXPRESS in English 2 Feb 86 p 19

[Text]

FOR THE period January to November 1985, Trinidad and Tobago imported goods worth $3,424 million, according to figures released by the Central Statistical Office (CSO).

Total exports amounted to $4,835.5 million, of which $4,556.6 million were domestic exports. A favourable balance of visible trade totalling $1,411.5 million was therefore recorded for this period. For the corresponding period in 1984, imports valued $4,205.9 million and exports $4,790.4 million. A favourable trade balance of $584.5 million was recorded, CSO said. In November 1985, goods worth $304.5 million were imported, while exports amounted to $322.1 million. The country therefore recorded a favourable balance of trade for the month of November 1985 of $17.6 million.

In the corresponding month of 1984, during which imports valued $412.8 million and exports $409.4 million, an adverse trade balance of $3.4 million was recorded, CSO said.

For the period January to November 1985, the petroleum sector accounted for 3.6 per cent of total imports and 76.9 per cent of total exports.

Principal commodities imported from January to November 1985 include fruits and vegetables, cereal and cereal preparation, dairy products and eggs. Major items of export were sugar and sugar preparation, coffee, tea, and spices.

The CSO pointed out that total imports for January to November 1985, compared with imports for the same period in 1984, showed an increase of $90.5 million due to a rise in imports of mineral fluids, lubricants and related materials.

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TRINIDAD AND TOBAGO

BRIEFS

ROBINSON ON ACCOUNTABILITY--National Alliance for Reconstruction (NAR) Political Leader A. N. R. Robinson warned that the Opposition would continue to agitate on the issue of integrity and accountability on its platform. Robinson said he was profoundly shocked by the statement made by Prime Minister George Chambers who said that he did not want to hear anything about accountability. Robinson said that for 10 years now the Constitution had stipulated that government ministers, parliamentarians and civil servants be covered by integrity legislation. Addressing a press conference at the headquarters of the Organisation for National Reconstruction (ONR), one of the members of the NAR, at Albion Street, Port of Spain, Robinson said he and Deputy Political Leader Basdeo Panday would call on Senator Lincoln Myers on the steps of the Hall of Justice on Wednesday to congratulate him on his "courageous and principled stand." [Text] [Port-of-Spain EXPRESS in English 3 Feb 86 p 1] /9274

NAR ON UNEMPLOYMENT--Almost ne-third of the working people in this country are without jobs, said Karl Hudson-Phillips, Deputy Political Leader of the National Alliance for Reconstruction, last Friday at a political meeting at Water Hole, Harding Place. Hudson-Phillips dismissed many of the claims that are normally laid at the door of the People's National Movement. "And they said that PNM is the party for black people," he said. "Yet the man who is suffering more than anybody else is the black man." He said that in 1981, this country didn't have one vagrant and now there are hundreds. He said that the moment the PNM won the elections they turned their backs on the very ladder they climbed. "People must be unified if we are to save this country," he urged. Political Leader A. N. R. Robinson said it was up to the people to let the Government know that they can't treat them like fowls and throw corn at them at election time "when the year after that very election, is starvation." [Text] [Port-of-Spain EXPRESS in English 30 Jan 86 p 7] /9274

STEEL FOR ST MAARTEN--Trinidad and Tobago's endorsement is being sought for an airport project in St Maarten. This was revealed by the majority leader of the island's legislature, Claude Wathey at a press briefing yesterday at the Holiday Inn. Wathey who was in this country for one day, also revealed that St Maarten is thinking of importing foodstuffs and steel from this country. Wathey who was scheduled to meet with Minister of External Affairs, Errol Mahabir yesterday afternoon said that his country needed the endorsement of Trinidad and Tobago for a project. The project (which involves the construction of a taxi way to facilitate the turning of large aircraft) is being financed by the European Common Market and consequently needs the endorsement of one Caribbean island. He said that it is of a regional nature and that this country was chosen because BWIA was running a lot of flights to that country. BWIA has been running four flights to St Maarten since November, 1984. He said that with the recent "currency change" it would be more advantageous for St Maarten, to deal with this country than with some of its extra-regional trade partners. [Text] [Port-of-Spain EXPRESS in English 7 Feb 86 p 4] /9274

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END

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Latin America Report

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CARICOM-HOYTE TALKS: MORE CRITICISM; U.S. ROLE DENIED

CATHOLIC STANDARD Charge

Georgetown CATHOLIC STANDARD in English 9 Feb 86 pp 1, 4

[Text]

THE GRENADINE island Mustique off St. Vincent, has in recent years often been in the news as the favourite Caribbean hideaway of Princess Margaret.

However last week Mustique was the scene of events of a most extraordinary kind, even if they did not catch the world headlines. Six Caricom Heads of Government met there with President Hoyte of Guyana.

Until then three of the Heads had roundly denounced the elections in Guyana and had in turn been denounced personally by a Guyana Government spokesman.

Another Head returning recently from the Conference of like-minded parties in Jamaica, had expressed the view that the observance of Human Rights should be of as much interest to Caricom governments as the revival of trade, a thinlyveiled reference to Guyana.

The Prime Minister of Barbados in the wake of the election had sent a telegram so carefully phrased that it could in no sense be regarded as congratulatory.

The Prime Minister of Dominica had vowed not to come to Guyana, as her life would be in danger.

Then suddenly there was a dramatic turn around, a miracle of miracles.

President Hoyte, despite the vitriol so recently poured out on these same colleagues, went to sit down with them in the romantic scenery of Mustique.

Miss Charles, we have been told, has declared that she will be attending the Summit in Georgetown.

We hear that all the PMs were satisfied with the proof President Hoyte supplied on the elections.

Why this sudden turn around? Maybe one has no further to look than two or three events, namely, the report that the Guyana Government has been having talks with officials of the US State Department, the US Ambassador's presentation to the President's College, the State Department's ambiguous utterances on the recent election and the dismissal of a broadcaster who uttered a news item derogatory of the US President.

The signals have now got through that President Hoyte's boat must not in any circumstances be rocked in keeping with US strategic interests.

All of this comes on the heels of the report that the US is ready to restore the supply of wheat to our flour mill under the PL 480 arrangements, if the Guyana Cabinet reaches agreement on the matter.

While all this must come as a disappointment to the so recently united opposition, it could lead to pressures on the Guyana Government especially by the United States to improve its human rights observance and genuinely open up the country to individual initiative and private enterprise.

In the meantime the "Eastern European" advocates in the ruling group and their Eastern European friends must have a lot to think about.

[The above article was carried in its entirety in the Port-of-Spain TRINIDAD GUARDIAN of 17 February, page 11, with attribution to the CATHOLIC STANDARD.]

St Vincent Opposition Charges

Bridgetown DAILY NATION in English 6 Feb 86 p 8

[Text] Both the leader of the St. Vincent Labour Party, Mr. Hudson Tannis, and the leader of the leftwing United People's Movement, Mr. Oscar Allen, are critical of Prime Minister James Mitchell's stand on the controversial electoral politics of Guyana.

Neither of them accepts that the initiative to have Eastern Caribbean leaders meet with Mr. Desmond Hoyte on the island of Mustique was solely that of Mr. Mitchell, with Mr. Tannis restricting his claim to "outside influence", and Mr. Allen deeming it a "political manoeuvre to satisfy the United States government".

Says Mr. Tannis: "I do not agree with the posturings and statements of Mitchell, of Eugenia Charles or of John Compton on the Guyana situation. I think our CARICOM leaders should have seized the opportunity after Burnham's death to act collectively in impressing upon Desmond Hoyte, as the new president, the need to take into consideration the region's views of the conduct of elections in Guyana.

"They should have", he said, "delegated one of their members to go to Guyana before the December 9 elections and speak with Mr. Hoyte, not to wait until the elections are held and then start expressing themselves and making all kinds of statements, only to change their posturings later."

Mr. Tannis said that it was his strong feeling that following the "outright condemnation of the Guyana elections by Mr. Henry Forde, and because of his (Mr. Forde's) strong influence and the respect for him, certain movements started to take place, including the going to Guyana by another Barbadian politician (a clear reference to Mr. Errol Barrow) whom I prefer not to name. The fear was that CARICOM may disintegrate because of differences over Guyana.

"My party does not want CARICOM to disintegrate, and we believe in dialogue. But we deeply regret that no initiative was taken before the Guyana elections."

For his part, Mr. Allen in a press statement critical of the Mustique meeting, said that "it is clear that Prime Minister Mitchell did not go to the meeting prepared to raise the real abuses that occurred in the Guyana elections."

He also said that "several aspects of the meeting, including the lack of any serious preparation for it, cause us to raise strong objections and suggest that improper motives controlled the meeting...."

Interview With Mitchell

Bridgetown WEEKEND NATION in English 7-8 Feb 86 p 16

[Interview with James Mitchell, prime minister of St Vincent and the Grenadines, by Rickey Singh in Kingstown: "Mitchell's Passion--Righting the Wrong"; date not given]

[Text]

KINGSTOWN — Within an 18-month period, the Prime Minister of St. Vincent and the Grenadines, James Mitchell, hosted two very significant Caribbean political gatherings.

The first, on Union Island in August 1984, led to the formation of the New National Party (NNP) in Grenada in time for the December elections of that year which the NNP, under Herbert Blaize's leadership, won.

The other event, just two weeks ago on the island of Mustique, resulted in a sensational political somersault by some Eastern Caribbean government leaders on the Guyana political situation, with what's seen as business as usual with the administration of President Desmond Hoyte.

How does "Son" Mitchell, the 53-year-old agronomist turned politician, perceive himself in regional politics? What motivates him? To what extent, is he being influenced in his initiatives by the United States?

Is it really true, as the leader of the opposition St. Vincent Labour Party (SVLP), and former Minister of Foreign Affairs, Hudson Tannis, contends, that Mr. Mitchell suffers "from an abysmally frightening ego" and is "wrapped up in image-making"?

Or, as sympathisers of the prime minister and leader of the centrist New Democratic Party (NDP) feel, he is an "honest political broker, a man genuinely interested in regional unity and progress?"

In an exclusive interview for the WEEKEND NATION, conducted here at the Prime Minister's official residence, Mr. Mitchell declared: "I have a passion for getting things done. What motivates me is to see what we can do to rectify or change what's wrong...Frankly, political power for me is an instrument for getting things done."

Regional survey

So, according to him, as he "surveyed" the Caribbean scene at the beginning of this year and "considered the implications for the region as a whole" of the devaluation of the currency of the Caribbean Community's (CARICOM) "most economically strong member, Trinidad and Tobago", as well as pondering "the problems involved in isolating Guyana, whose natural resources are important for the entire Caribbean Community," he felt "that something must be done."

What he did is now history. He organised an informal meeting on his Grenadine island of Mustique, the exclusive holiday [illegible]-out of the international jet set, or CARICOM leaders to [illegible] with Guyana's President Desmond Hoyte.

He takes full credit for what is clearly a personal political plus for him, and dismisses suggestions that the United States leaned on him, as they did for the 1984 Union Island initiative, to make the Mustique [illegible] reality. He insists that he acts "independently" and that his [illegible]as still "central".

"I admit," he said, "that the Americans were happy with my effort to unite three of the parties of Grenada into one, the NNP. But the initiative on Guyana was my own, though I understand the Canadians are happy, and yes, I guess the Americans too, will all be pleased with what I have done . . . "

This liberal use of the personal pronoun does not endear him to his detractors like Mr. Tannis and Oscar Allen of the leftwing United People's Movement (UPM), both of whom insist that the Mustique initiative "originated outside of St. Vincent".

But Mr. Mitchell offered a philosophical view for "moving to influence change in Guyana:

Certain influences

"I know we cannot change our geography, but I feel we can change our history. If we the leaders cannot change or guide the history of the Caribbean, then we are not doing our job. So I felt that one could have certain influences on what was happening in Guyana and that one should try . . ."

Before he explained how he achieved the Mustique meeting, which Trinidad and Tobago and Antigua and Barbuda declined to attend, and for which Jamaica found it "inconvenient" to be present, though supportive of the initiative.

I asked Mr. Mitchell to provide some details about the 1984 meeting on Union Island. Especially since, for that gathering he had succeeded in having present the late Tom Adams who, as Prime Minister of Barbados, was known to be sympathetic not to him and his NDP but to former Prime Minister Milton Cato and his Labour Party.

Talking with an informality that's very much his political trademark, and evidently pleased to retrace the steps of that historic gathering that came just ten months after the United States-led invasion of Grenada, Mr. Mitchell explained how he teamed up with his "distant cousin" and close political friend, John Compton, Prime Minister of St. Lucia, to get politicians like Mr. Blaize, Francis Alexis and George Brizan together into the NNP.

"After John and I first met with Mr. Blaize on Carriacou, I arranged the meeting on Union Island. I told John Compton that Mr. Adams had called me, and asked for my co-operation.

"As you may know, Mr. Adams was not on my side while Mr. Cato was in power. In fact he sent Barbadian troops in 1979 into Union Island, which is part of my constituency, during some disturbances there. Also at the time of the July 1984 elections, a Barbadian gunboat was in our waters.

"However, it was ironical that we all met on Union Island, just a month after I came to power, and had lunch in the home of one of the men arrested in the Union Island disturbances, Conrad Adams, a friend of mine.

Grenada coalition

"There, we succeeded in putting together the coalition of Grenadian parties into the NNP. I was very happy when they won the elections later that year. On the morning after the elections I travelled to Carriacou and had breakfast with my old friend Blaize".

In an interview last year with Caribbean Review, Mr. Mitchell claimed that "if I had not won the St. Vincent election, the Grenada election might have gone a different way (perhaps to Sir Eric Gairy).

"I doubt there was anyone else," he boasted, "who could have co-ordinated the Grenada parties, Mr. Compton and Mr. Adams as I did."

And Guyana?

What magic, what kind of new evidence caused the change of heart by those who were so critical of rigged elections there?

"Look", he blurted, "I was one of the sternest critics of Guyana under Forbes Burnham. I am happy that I criticised Mr. Burnham's politics while he was alive. I felt that after his death, his successors had an opportunity to bring about changes, bearing in mind the concerns expressed about the conduct of elections. They had the opportunity to create a new image. I was, therefore, disappointed that they did not permit outsiders to go and observe the elections. Yes, it is true that after the December poll, I remained critical of the election politics.

"But," he added as he offered his explanation for changing course, "as a leader, looking at the Guyana situation, we were faced with two alternatives:

"One, to continue on a path which meant the isolation of Guyana. That would have involved things like moving the CARICOM Secretariat out of Georgetown, turning our backs on Guyana. That was one direction. I could see that there would be difficulties about that because the CARICOM Treaty calls for unanimity in certain decisions, and I could see that we could not get unanimity because Guyana itself would not agree.

Pressure on bank

"That line meant, of course, pressure on the Caribbean Development Bank, because the bank would then have to forget about its loans to Guyana. It meant pressure on the Government of Barbados with its resources held by Guyana under the Caribbean Multilateral Clearing Facility . . .

"The other alternative," he added, "was to try and do something about promoting a change in Guyana. As I said earlier, I feel we cannot change geography, but we can change history.

"Having met Mr. Hoyte first at the Commonwealth Heads of Government Conference in the Bahamas, I felt that he was someone you could talk to, quite different from Mr. Burnham . . ."

But, I pointed out to Mr. Mitchell, his own sharp criticisms of the Guyana December elections came with Mr. Hoyte, the man with whom they could "talk" very much in charge, and as the president who had refused to allow independent monitoring of the poll.

He, however, went on to explain that after listening to a suggestion from "a Trinidadian businessman friend (who turned out to be the publisher of the sensational Trinidad weekly, the Bomb) who also felt that Mr. Hoyte is a man I could talk to, I spoke with Eugenia Charles and John Compton about a possible meeting with Mr. Hoyte. They were interested. I later contacted Mr. Hoyte and he was willing to be present . . ."

Charles' proposal

As he explained it, it was Miss Charles' idea that the meeting should be "at a very informal level, no agendas, no officials. She said that she wanted Mr. Hoyte alone to come and not civil servants and foreign ministers."

So after some 40 telephone calls, he personally made, "and without telling any of my aides about the meeting I was arranging", "he managed to interest Barbados' Bernard St. John, St. Lucia's John Compton, Dominica's Eugenia Charles, Grenada's Herbert Blaize, Kennedy Simmonds of St. Kitts-Nevis and the man of the moment, Mr. Hoyte.

He said he did not tell the Press about the meeting because this may have "complicated matters". The Bomb's publisher, he explained, was at Mustique, because he was also "a friend of Hoyte" and knew "about the arrangements".

"Edward Seaga was very supportive of the idea and even wanted to host it. But I decided that it would be better to host it on Mustique, which is very private and central. It is not far from Barbados (some 90 miles) or from Grenada (60 miles) or St. Lucia (50 miles)."

In the end, Mr. Seaga could not make it, because, he said, of "prior commitments".

Mr. Mitchell said that when he spoke with the Prime Minister of Trinidad and Tobago, George Chambers "he insisted that any such meeting should be held under the umbrella of CARICOM and that the current chairman of CARICOM, Bernard St. John, should summon the meeting.

"This" said Mr. Mitchell, "was not the kind of meeting I had conceived. I regret that the Prime Minister of Trinidad and Tobago took such a position, but who am I to advise him? He represents the most powerful country, economically in the region, and I was disappointed really that he didn't come.

"But his absence did not deter us. So I called Bree St. John, and he said that he was quite happy to come down and join us in Mustique for an informal get-together, without any formal agenda, so that we could get to know each other a little better. That's how we proceeded."

Mr. Mitchell said that originally, the meeting should have taken place on January 19 but the date proved inconvenient to most.

The surprising absentee, for him, was Antigua and Barbuda with whose Deputy Prime Minister and Foreign Minister, Lester Bird, he had spoken.

Having gotten an assurance that Antigua and Barbuda would be present, he subsequently received a telephone call through an official, saying that no one would be attending the meeting.

I was told by Mr. Mitchell that according to informed sources close to Mr. Bird, it was disclosed that Antigua and Barbuda was "not sure about the real agenda, and was amused to learn about heads of government meeting without an agenda but to eat, swim and ole talk."

Mr. Mitchell said that he preferred not to comment further on Antigua's absence, nor was he prepared to get involved in a dispute through the media in relation to a statement attributed to Mr. Hoyte that the leaders who met in Mustique had "accepted the case" of the Guyana Government and that his opponents of the Patriotic Coalition for Democracy, would be given "no encouragement" by CARICOM governments.

No American input

Insisting that "the Americans had nothing to do with the meeting", he said that it was not a question of "accepting Mr. Hoyte's side and forgetting about human rights concerns affecting the Guyanese people, but trying to see how we can influence changes for the future for the benefit of Guyana and for the region as a whole."

Mr. Mitchell then disclosed that Mr. Hoyte gave the Mustique meeting "the assurance" that he was prepared to have foreign observers from the United States and elsewhere for forthcoming local government elections in Guyana.

"All this talk about video and so on that Mr. Hoyte gave us, you think we had time to sit down in Mustique and look at pictures. I have not even looked at the video . . . I am now interested in seeing in what direction we want to go. The leaders have decided that they have got to work and improve a situation that's there.

"I also saw the Guyanese opposition later in my office when they came to St. Vincent as a delegation of the Patriotic Coalition for Democracy.

"I asked them if they believe that we are naive not to know that our own credibility will be at stake in the future unless changes take place in Guyana.

"Now that we are involved with the Guyana situation," said Mr. Mitchell, "we would want to ensure that things go right down there because we believe in the evolution of the situation there in Guyana. We must have a democractic evolution within the Caribbean.

Important step

"I do not see the Mustique meeting as a final episode. It was one step, a very significant and important step. As Mr. Hoyte himself said, he thinks that I have introduced something new in the Caribbean, a new institution of the heads of government getting together in an informal way. This has never happened before."

Mr. Mitchell said that if they didn't have the Mustique meeting "I hate to think what kind of CARICOM Summit we would have had in July. I don't believe we would have gone. It would have had a snowballing effect with this one saying he was not going and then someone else finding another excuse for not going."

I asked him what he thought of the surprising statement by Miss Charles that having received "certain assurances" from Mr. Hoyte she would now be going to Guyana for the summit.

Mr. Mitchell said that he knew that this would come as "a real surprise", but preferred not to comment on the decision other than to say he was glad for the positive nature of the Mustique "get-together".

He feels there should be more such events in the interest of "Caribbean unity and progress".

Mr. Mitchell said he was encouraged to see that as a direct outcome of the Mustique meeting that discussed trade and other matters of regional interest, a Guyana trade mission was now visiting a number of CARICOM countries.

Further Mitchell Comments

Port-of-Spain SUNDAY EXPRESS in English 23 Feb 86 p 18

[Text]

"BULL," was how St Vincent Prime Minister James 'Son' Mitchell last week described the view that a recent meeting in Mustique between himself, other Eastern Caribbean leaders and Guyana Prime Minister Desmond Hoyte had been instigated by the United States.

In an interview with the EXPRESS in Port of Spain on Friday, the day after he and other Caribbean Prime Ministers met with United States President Ronald Reagan in Grenada, Mitchell said the Mustique meeting had been entirely his own idea.

"I felt we couldn't just leave Guyana out in the cold," Mitchell said, adding that the idea first came to him after he had attended his first Commonwealth Prime Ministers Conference in the Bahamas last year.

"I mean, there we were," he said, "me in my T-shirt and Rajiv (Gandhi) in his T-shirt and (Kenneth) Kuanda, meeting informally and chatting and I thought, 'Well, why can't we do this in the region?' So I got in touch with Hoyte and we set up this sort of informal gathering."

Asked whether the Guyanese President had convinced him that the last general election in Guyana had not been rigged, Mitchell replied: "Not really."

He added: "But I said to him, 'You've got to open up, you've got to allow the press in and you've got to come out of isolation.' And I wasn't just thinking about the last election alone. I'm looking down the road to the next general election."

Mitchell also said that unlike the late Forbes Burnham, President Hoyte was "a man you can talk to and once we can talk, I think there's a lot of hope."

Mitchell pointed to Guyana's vast resources and said the Caribbean Community could not afford to leave Guyana isolated.

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CSO: 3298/340

INTER-AMERICAN AFFAIRS

MONTSERRAT LEADER: CARIBBEAN COLONIES IGNORED

Port-of-Spain TRINIDAD GUARDIAN in English 21 Feb 86 p 5

[Text]

PLYMOUTH, Feb. 20, AP — CHIEF MINISTER John Osborne blames Montserrat's colonial status for his failure to be included among the Caribbean leaders who met US President Ronald Reagan in Grenada, today.

"I certainly would have liked to meet President Reagan and be part of the discussions, as I know I have a valuable contribution to make as always," Mr. Osborne said. "But the meeting is just for independent territories and Montserrat is only a colony. Nobody is talking to colonies."

Montserrat, a member of the Organisation of Eastern Caribbean States (OECS), supported the October, 1983 invasion, despite Great Britain's opposition, but as a colony had no troops to contribute.

"I feel that they treated us shabbily," Osborne said, referring to his failure to be included in the meeting with Mr. Reagan.

"Mr. Blaize did not invite Caricom members Guyana and Belize, both of which opposed the Grenada invasion. But Prime Minister George Chambers of Trinidad and Tobago, which also opposed the invasion, was invited.

"I accept my inferior status as a (Head of Government of) a colony, because that is what Montserrat wants, but it is embarrassing and disgusting," Osborne said. "We will not be able to share in the benefits of Mr. Reagan's visit, and that is unfortunate."

"But it tells us one thing: as long as we remain a colony, we will be treated a second class, even in our own region," the Chief Minister said. "We need to go independent."

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BANK APPROVES LOANS FOR ST LUCIA, TURKS & CAICOS

FL221942 Bridgetown CANA in English 1737 GMT 22 Feb 86

[Text] Bridgetown, Barbados, Feb 22 (CANA)--The Barbados-headquartered Caribbean Development Bank (CDB) has announced conditional approval of a fourth loan of 2.1 million dollars (U.S.) for construction of roads in St Lucia.

The bank said its board of directors meeting here on February 6 also approved a second loan amounting to 453,000 dollars (U.S.) to develop port facilities at Providenciales, Turks and Caicos islands.

The two approvals bring total CDB financing to 558 million dollars (U.S.).

The board authorized CDB President William Demas to sign a non-reimbursable technical assistance agreement with the Federal Republic of Germany totalling 1.85 million West German marks (one DM; 2.3 dollars) for a study and technical assistance.

The aim of the assistance is to strengthen the competitive capacity of existing enterprises in regional and export markets, point out investment possibilities for foreign business partners and identify bankable projects by carrying out up to 12 product-related feasibility and up to three sectoral studies.

The board noted the prior approval by the president of a grant from CDB's special funds resources to the Caribbean Agricultural Credit Association (CACRA) for part financing of a senior management workshop.

The board also approved technical assistance using Inter-American Development Bank resources for a feasibility study on the improvement of port facilities at Road Bay and Spanish Town in the British Virgin Islands.

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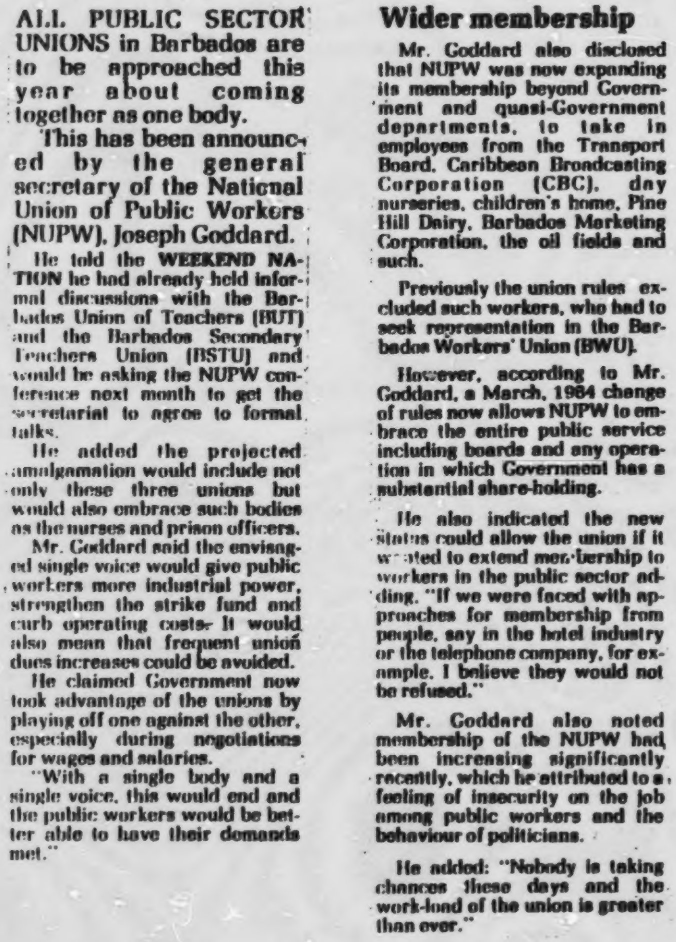
CSO: 3298/340

PUBLIC SECTOR UNIONS COULD UNITE IN SINGLE BODY

Bridgetown WEEKEND NATION in English 7-8 Feb 86 p 32

[Text]



ALL PUBLIC SECTOR UNIONS in Barbados are to be approached this year about coming together as one body.

This has been announced by the general secretary of the National Union of Public Workers (NUPW), Joseph Goddard.

He told the **WEEKEND NATION** he had already held informal discussions with the Barbados Union of Teachers (BUT) and the Barbados Secondary Teachers Union (BSTU) and would be asking the NUPW conference next month to get the secretariat to agree to formal talks.

He added the projected amalgamation would include not only these three unions but would also embrace such bodies as the nurses and prison officers.

Mr. Goddard said the envisaged single voice would give public workers more industrial power, strengthen the strike fund and curb operating costs. It would also mean that frequent union dues increases could be avoided.

He claimed Government now took advantage of the unions by playing off one against the other, especially during negotiations for wages and salaries.

"With a single body and a single voice, this would end and the public workers would be better able to have their demands met."

Wider membership

Mr. Goddard also disclosed that NUPW was now expanding its membership beyond Government and quasi-Government departments, to take in employees from the Transport Board, Caribbean Broadcasting Corporation (CBC), day nurseries, children's home, Pine Hill Dairy, Barbados Marketing Corporation, the oil fields and such.

Previously the union rules excluded such workers, who had to seek representation in the Barbados Workers' Union (BWU).

However, according to Mr. Goddard, a March, 1984 change of rules now allows NUPW to embrace the entire public service including boards and any operation in which Government has a substantial share-holding.

He also indicated the new status could allow the union if it wanted to extend membership to workers in the public sector adding. "If we were faced with approaches for membership from people, say in the hotel industry or the telephone company, for example, I believe they would not be refused."

Mr. Goddard also noted membership of the NUPW had been increasing significantly recently, which he attributed to a feeling of insecurity on the job among public workers and the behaviour of politicians.

He added: "Nobody is taking chances these days and the work-load of the union is greater than ever."

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CSO: 3298/341

PUBLIC WORKERS UNION VOICES STAND ON PAY ISSUE

Lagging Wages

Bridgetown SUNDAY SUN in English 9 Feb 86 p 40

[Text]

THE 15 000-STRONG NATIONAL UNION OF PUBLIC WORKERS (NUPW) has dismissed suggestions that the pattern of a nominal pay increase of ten percent should be followed in the public sector.

The suggestion had come from the employers' body, the Barbados Employers' Confederation (BEC), shortly after an agreement was reached on behalf of sugar workers for a ten percent wage increase over three years.

The BEC said that the period of agreement and the rate of nominal pay increase were "steps in the right direction and should in the context of the current economic conditions, set the pattern for future pay settlements".

But NUPW president, Nigel Harper, said no employers group, Central Bank Governor nor paper economists could speak for 15 000 public workers.

"It is a fact which can be verified by the statistics of the Central Bank that wages of the public sector have been lagging behind certain areas of the private sector," Mr. Harper said.

And, he warned that there was no way the union would sit idly by and allow any group of self-interested, narrow sighted persons to vicariously conduct the union's negotiations and "set up public workers for the kill".

The NUPW and Government are expected to begin negotiations shortly, with the union seeking a 15 percent hike at the top of the salary scale and 20 percent for workers at the bottom.

But its demands have been criticised by the BEC, which cautioned that efforts to reduce unemployment, now running at nearly 20 percent, would fail "if we continue to finance a public sector which already receives wages higher than the major sector of the economy".

Mr. Harper said public workers have seen "too much hell" over the past years and would not participate in "any shadow-boxing exercise".

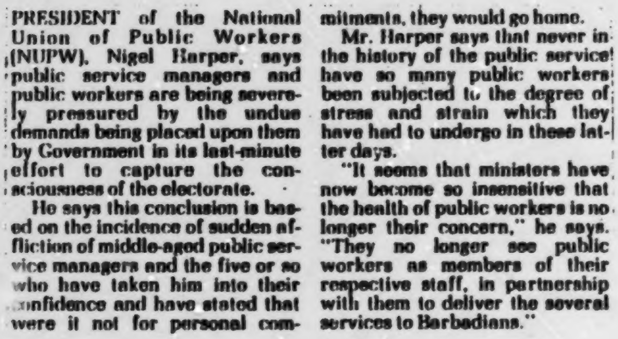
He said the union has constantly advised that cuts in the public service are inimical to the public interest and that the unemployment problem could only be seriously tackled by the expansion of the public sector.

However, he charged that Government has done everything to bring about contraction, including giving over public sector activities to private sector interests,

Government Pressure

Bridgetown SUNDAY SUN in English 9 Feb 86 p 40

[Text]



PRESIDENT of the National Union of Public Workers (NUPW), Nigel Harper, says public service managers and public workers are being severely pressured by the undue demands being placed upon them by Government in its last-minute effort to capture the consciousness of the electorate.

He says this conclusion is based on the incidence of sudden affliction of middle-aged public service managers and the five or so who have taken him into their confidence and have stated that were it not for personal commitments, they would go home.

Mr. Harper says that never in the history of the public service have so many public workers been subjected to the degree of stress and strain which they have had to undergo in these latter days.

"It seems that ministers have now become so insensitive that the health of public workers is no longer their concern," he says. "They no longer see public workers as members of their respective staff, in partnership with them to deliver the several services to Barbadians."

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BRIEFS

YOUTH PLAN-BDF SEPARATION--The proposed National Youth Service Scheme will not be operated under the aegis of the Barbados Defence Force. This firm commitment was given yesterday by Minister of Foreign Affairs, Senator Nigel Barrow. Rather, he said, the scheme would be conducted as outlined by Prime Minister Bernard St. John in last year's Budget Speech, by the National Training Board (NTB). Senator Barrow was introducing a resolution in the Senate to acquire land at Harrison's Plantation, St. Lucy, for use in agricultural training in the National Youth Service Scheme. Senator Barrow said Government now had a firm policy as enunciated by the Prime Minister. That is, the voluntary scheme would be operated by the NTB, which was formed in 1979, and with its limited resources, the board would be permitted to contract services from the Defence Force. [Excerpts] [Bridgetown DAILY NATION in English 6 Feb 86 p 14] /6091

EEC TECHNICAL AID--Bridgetown, Barbados, Feb 16 (CANA)--Barbados and the European Community will sign a technical cooperation agreement here Tuesday, government officials said. The document to be signed by Prime Minister Bernard St John sets out the areas of assistance which will be given to Barbados over the next five years under the third Lome trade and (technical) convention linking Europe and developing countries. Barbados has been allocated five million European Currency Units (ECU's) under Lome III. [Excerpt] [Bridgetown CANA in English 1625 GMT 16 Feb 86 FL] Bridgetown, Barbados, Feb 18 (CANA)--Barbados says it will use the 9.2 million dollars (one Bds dollar, 50 cents U.S.) allocated to it under the third Lome convention mainly for agriculture and trade. St John said that faced with low sugar prices, Barbados needed to diversify its agriculture sector and was looking to develop livestock, food crops, and other sub-sectors. An EEC statement said the delegations representing Barbados and the European Community defined the development of rural production and marketing and the development of the export of rural products as the focus of co-operation. The statement said the European Investment Bank could also contribute about 18.4 million dollars to the financing of productive projects and programmes in industry, agro-industry, tourism and mining, and in energy production, transport and telecommunications linked to these sectors. [By Hallam Hope] [Excerpts] [Bridgetown CANA in English 1742 GMT 18 Feb 86 FL] /6091

CSO: 3298/341

CHILE

OPPOSITION MAGAZINE PRINTS 'DEMOCRATIC INTRANSIGENCY' MANIFESTO

Santiago ANALISIS in Spanish 28 Jan -3 Feb 86 (Insert)

[Text] Democratic Intransigency, the Unity of the People and the Democratic Struggle in 1986

I. Intransigency, an Instrument of Unity in the Democratic Struggle

Democratic Intransigency was born as a symbol of unity amid very difficult and painful times for our country, in April 1985. It symbolizes, first of all, the determination to defend intransigently the goal of achieving full democracy. It is not ethically and politically possible, not even as a tactic, to accord legitimacy to antidemocratic institutions, much less to a regime that boasts of having destroyed democracy, at the cost of the blood-stained and systematic violation of our people's human rights. Secondly, it asserts that democracy and freedom can be achieved through the unity of all political and social forces, without exclusions. In this sense, it reaffirms that there is a method of struggle around which all democrats have developed a broad consensus: social mobilization and civil disobedience, the latter a recourse enshrined even in the Universal Declaration of Human Rights. Lastly, it acknowledges the people and their organizations as the main actors in this struggle for freedom and in the construction of the future democracy.

Democratic Intransigency rests on this foundation, as it seeks to put a total end to the regime and government of the dictatorship by means of a political confrontation that will shatter the entire autocratic establishment. Therefore, it is a national political movement that is struggling for democracy, that publicizes these principles to turn them into a nationwide cause, that promotes an understanding among all democrats, that spurs consistent initiatives for the achievement of democracy and that actively coordinates the activities of its members so that together they can play a leading role in the struggle against the dictatorship.

Democratic Intransigency appreciates and respects existing political groups and feels that membership in them is fully compatible with involvement in other opposition democratic forces, as long as they share our political principles. Chile is our only cause, and we are therefore promoting a national consensus to offer our people a solid democratic alternative based on a permanent commitment to human rights, the construction of a new constitutional order and the formulation of proposals for the political and institutional groundwork of the transition to democracy and an emergency economic and social accord.

Today, in its new phase, Democratic Intransigency will promote even more strongly than yesterday the unity of the people as an indispensable and decisive factor in the success of the democratic struggle that will put an end to the dictatorship.

II. Now Is the Time to Achieve Freedom and Democracy

1986 is a decisive year. The democratic forces are clearly in the majority in society today.

Hunger, unemployment, unpayable debts, insecurity and the constant attacks on human dignity and lives have become intolerable and prompted major new sectors to join the social mobilization.

The conflict of legitimacy is cutting across and intensifying the national crisis. The regime can no longer deny that it exists, as it is forced to demand that "the 1980 constitution be recognized, abided by and respected." This is the tragedy of the dictatorship, as it endeavors to forcibly impose a set of mere basic laws that are devoid of all legitimacy and will never be regarded as a democratic constitution because the sovereign people unquestionably had nothing to do with its genesis and content. This is ultimately why there can be no negotiations under the current institutions of the dictatorship.

The picture is clear. On the one hand, there is a failed regime that is isolated domestically and internationally and that is wrongheadedly determined to stay in power indefinitely. On the other, there is an active national majority that, by setting itself up as a democratic force, is capable of confronting and ending the dictatorial regime.

The democratic forces have become more mature and united. People are convinced today that Chile has an alternative. The regime's recent rejection of the National Accord rules out once and for all the path of negotiations that segments of the Right have been promoting and brings social mobilization to the fore as the privileged instrument of the democratic struggle for the opposition as a whole.

There is no reason to wait. 1986 must be the year of Chile's liberation. Let us thus save our people from further suffering and end this national tragedy once and for all.

From a political standpoint, there is no standoff between forces. On the one side there is an overwhelming majority that represents the Chilean people, and on the other a minority-supported, autocratic regime that is trying to survive by demanding that the Armed Forces remain loyal to a dictatorship. We hope that the Armed Forces will eventually be in tune with the democratic aspirations and longings of their people.

To those with a democratic awareness, only the will of the people is sovereign. We must turn to it more than ever in times of crisis. Prevented today from doing so through the arrangements and channels that every democratic State provides to this end, the people will have to express their will and strength through unified organization and mobilization and massive civil disobedience in the face of an unjust and high-handed regime.

III. An Understanding [concertacion] Is Indispensable and Urgent

Democratic Intransigency proposes to the democratic forces as a whole a political and social understanding based on the following proposals:

1. To take up as a common platform of struggle the demands set forth in the "Immediate Measures" section of the National Accord and the demands contained in the Document of Chile [Pliego de Chile] that the National Command of Workers is promoting. On this common ground, to spur the mobilization of the broadest segments of society in their struggle against the dictatorship and to form a National Command of Social Mobilization that will draw up, by consensus, a Civil Disobedience Plan, indicating the nature of the actions to be taken and the timetable to be followed.

2. To guide the concerted social mobilization towards a central goal, a nationwide work stoppage, demanding the end of the Pinochet government and the regime and the immediate start of democratization in the country.

3. To promote a political understanding among all opposition elements concerning a common agenda for a transition to democracy that will give full guarantees to all democratic sectors and under which the people will freely and sovereignly decide the country's destiny. To this end, we propose the following conditions for a transition to democracy:

The establishment of an interim government, headed by an authority of legitimate democratic origin, such as the chief justice of the Supreme Court. As interim president of the republic, he must:

i) Implement the first measures to restore democracy.

ii) Call a direct election for a Constitutional Assembly, with universal suffrage, a secret ballot and well-informed voters.

iii) Adopt an emergency economic and social program that will give priority to the problems of hunger, unemployment and indebtedness.

The Constitutional Assembly will draft and pass a new State Political Constitution, which must be approved in a referendum. It must also:

a) Decide whether the 1925 Constitution should be temporarily in force, where it is applicable.

b) Elect a provisional president of the republic, who will serve until the person who is to replace him takes office, under the constitution that is enacted.

c) Elect a provisional legislative commission to promulgate the laws that the provisional government requires.

d) Establish a constitutional tribunal, which will also have the special duty to see to it that the human rights of all residents of the republic are recognized and respected.

e) Adopt the measures needed to insure the independence of the judiciary, the impartiality of judges and the full administration of justice.

This is a decisive year in the struggle to achieve democracy. We call on all Chilean men and women, on all democrats, to join forces to restore freedom and equality, to invest the people with the sovereignty that is rightfully theirs.

On Behalf of Democratic Intransigency
Manuel Sanhueza, President

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CSO: 3348/433

JDC PALMA SAYS 1986 DECISIVE FOR DEMOCRACY

Santiago ANALISIS in Spanish 21-27 Jan 86 p 36

[Interview with Christian Democratic Youth (JDC) president Andres Palma, by Patricio Acevedo; date and place not given; first two paragraphs are introduction]

[Text] After a complicated series of elections imposed by the dictatorship, Andres Palma took office as president of JDC on 23 January, succeeding Miguel Salazar.

He sounds impassioned and very convinced of what he is saying, though he is always willing to listen to criticism. There is one thing, though, on which he brooks no disagreement: "We have to throw him out and not wait until he leaves." And he says this in all seriousness.

[Question] Opposition groups, including your party, have pointed to 1986 as a "decisive" year for restoring democracy. As a leader of the JDC, what do you think can or must happen for this year to be really decisive?

[Answer] There are four factors today that were not present during the previous 12 years of dictatorship. First of all, there is a National Accord, which is a proposal for a transition to democracy that broad segments of the country have embraced. This accord must be implemented as a result of the heavy pressure being brought to bear. Secondly, today we have a great majority of the social organizations behind us, and they can do more than organize a 1-day demonstration; they can wage an ongoing struggle. Another element is the feeling that the people are prepared to rally very actively behind their organizations to push for the immediate measures set forth in the accord.

The last element that suggests that this year will be decisive is the increasing domestic and international isolation of the commander in chief and the last few cronies who are still with him. Now then, what remains to be done so that we can say with assurance that we are going to throw him out this year? Two major things: to understand, first, that all of us in the opposition must urgently get together and, then, agree on what we have to do to chart a strategy that will enable us to go up to Pinochet and say: "Sir, you're leaving." We have to reach a final confrontation with the regime, while addressing ourselves to the Armed Forces as follows: "Gentlemen, you get rid of Pinochet or else we are going to shut the country down indefinitely because we are not putting up with this government anymore."

[Question] You attach great importance to the National Accord. Yet some of its signers seem more interested in having the Christian Democrats take a stand on Marxism than in making this a "decisive" year.

[Answer] Throughout the history of the DC there have been sectors that have criticized it for not taking a stand. The truth of the matter is that we believe that the DC is, in fact, a contradiction to those sectors. They view it as inconsistent, because we tell them that we are for social change, that we want to build a different Chile and to replace capitalism. Yes, we do but through democratic and peaceful means and, above all, by fostering unity among the people. The fact is that they (the National Union, for example) are unwilling to take a stand. They say: "We reject violence." But they are not prepared to say that we have to mobilize peacefully. The truth of the matter is that a National Accord will be real only to the extent that we all implement it. This also has to be understood by the sectors of the Left that are criticizing the peaceful mobilization and emphasizing that it has to be "more radical," which under present conditions in our country would scatter the will of the people instead of unifying it around a viable democratic agenda.

The policy that we young Christian Democrats are trying to pursue is to seek out all of the elements that can come together, which in my judgment are going to be the ones that are going to be able to build a new Chile. The bitter experience of these years has taught us that if we democrats fight among ourselves and split up, the other side remains in control of Chile and her future.

[Question] And do you think that the commander in chief will or will not be leaving during this decisive year?

[Answer] No, he is not going to leave. Just yesterday I was talking with a leftist leader, who told me: "We always scream 'he's going to fall, he's going to fall.' We should now be shouting 'we're going to kick him out, we're going to kick him out.'" Personally I agree strongly with him. The commander in chief is not going to leave. We're going to have to kick him out. Yes, we're going to kick him out with the backing of the entire people, even with the backing of the Armed Forces. We're going to kick him out in a civilized manner, I hope. The day must soon come when we open his car door and tell him: "Take off, sir, leave us. If you wish, we'll lend you Bucalemu or Lo Curro and later we'll see how we administer justice, but the first thing, sir, is for you to leave."

8743
CSO: 3348/433

GOVERNMENT DENIES ROLE IN FRENCH ISLANDS' DEPORTATIONS

FL151420 Bridgetown CANA in English 1402 GMT 15 Feb 86

[Text] Roseau, Dominica, Feb 15 (CANA)--The Dominica Government today denied allegations that it had any role in the recent deportation of a number of Dominicans from neighbouring French islands and suggested collusion between French officials and opposition groups here.

A government statement said reports from Marie Galante quoted a number of Dominicans as saying that senior officials in the French dependency blamed Prime Minister Eugenia Charles for the decision to expel them. In recent weeks there have been mass expulsions of Dominicans from Guadeloupe and Marie Galante, said the statement.

It quoted Acting Prime Minister Henry George as questioning the motives of the Marie Galante officials concerned and suggested that there is collusion between these officials and Dominican opposition politicians.

Last month Prime Minister Charles held a meeting with the French ambassador to demand what the government termed fair treatment for Dominicans and today's government statement said that as a result of the discussions a number of visas to the French islands had been regularised.

The opposition Dominica Labour Party (DLP) had charged that a number of Dominicans residing in the neighbouring French islands were being herded together like cattle and sent back to Dominica, many without their belongings.

/6091
CSO: 3298/342

DOMINICA

GOVERNMENT UNABLE TO PAY WAGES OF CIVIL SERVANTS

Government Statement

Port-of-Spain TRINIDAD GUARDIAN in English 21 Feb 86 p 5

[Text]

ROSEAU, Feb. 20, Cana — DOMINICA GOVERNMENT said today it regretted that the possible late payment of civil servants' salaries this month had become an issue.

A Government statement, quoting acting Prime Minister Henry George, said it was regrettable...that the information to civil servants on the possible late payment of salaries...should be considered an issue.

The Civil Service Association (CSA) announced earlier that it would hold an executive meeting next week to discuss the development.

An internal memo sent to all heads of Government departments, this week, said a review of the Government's accounts had indicated there was likely to be a financing gap towards the end of the month, but that every effort was being made to secure the necessary funds to bridge that gap.

The memo said the necessary funds — the amount was not disclosed — might not be forthcoming before monthend.

Government needs in excess of $3 million to pay salaries and wages to all public workers monthly.

The statement said today that as far back as September, last year, Prime Minister Eugenia Charles had indicated that a situation was developing which might result in late payment of salaries.

It added that this point was emphasised during the recent salary negotiations between the CSA and the Government.

Union Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 21 Feb 86 p 5

[Text]

ROSEAU, Feb. 20, Cana — DOMINICA'S main public workers' union said today it would call an executive meeting, probably next week, to discuss Government's disclosure that cash flow difficulties may prevent civil servants here being paid their salaries on time this month.

Civil Service Association (CSA) acting General Secretary, Alvin Thomas, told reporters: "We intend to have an executive meeting to discuss the issue.. (but)... at this point, the month has not yet ended, so we don't have a problem as yet."

An internal memo, sent to all heads of Government departments here, said the Eugenia Charles administration, in a review of its accounts, indicated that there was likely to be a financing gap towards the end of the month, and that...salaries for the month of February may have to be paid after the end of the month.

/6091
CSO: 3298/342

BRIEFS

AGRICULTURAL EXPORTS--Roseau, Dominica--Dominica says its agricultural exports have largely escaped many of the problems affecting intra-CARICOM trade. "The problems affecting trade do not affect agriculture as significantly as it affects manufacturing and garments," Trade and Agriculture Minister Charles Maynard said. "The important thing to keep in mind is that significant quantities of our agricultural products have been going to Guadeloupe and Martinique (which are not members of CARICOM)," he added. Sales to Guadeloupe increased by 100 percent since 1976, he said. Maynard said Trinidad and Tobago had indicated a desire to "see more produce from Dominica." The minister said Dominica was looking also at possible joint ventures with some Caribbean countries in agricultural products and said that an initiative had already been received from the government of St. Vincent. (CANA) [Text] [Bridgetown WEEKEND NATION in English 7-8 Feb 86 p 14] /6091

CSO: 3298/342

NONTRADITIONAL AGRICULTURAL EXPORT PROGRAM STARTED

Santo Domingo LISTIN DIARIO in Spanish 20 Jan 86 p 3C

[Article by Manuel Silvestre]

[Text] The Office of Secretary of State of Agriculture announced yesterday that it is implementing a program to promote nontraditional crops, including rubber.

The program is underway in the northeastern region of the country, according to the director of the Regional Office of Agriculture there, Victor Luis Lasose.

The official said that in addition to rubber, annatto and ginger are being promoted.

Lasose explained that rubber "is the most important element in the program of nontraditional crops underway in the northeastern region. He said that some 10,140 fields are involved and that production exceeded 3,600 quintals last year."

The official went on to say that last year, eight rubber plantations and three annatto plantations were set up, with 420,000 and 21,000 plants respectively.

Lasose added that in 1985, "295,000 rubber plants were started in plantations and that there are now 420,000, with 11,300 grafts available."

He noted that a total of 46,460 grafts were made during the year, 40,000 stumps were distributed and a production of rubber amounted to 2,829 quintals of grade 1 and 774 of grade 2, for a total of 3,603 quintals during the year of 1985.

Regarding giner, Lasose reported that some 3,130 fields had been harvested for a production of 24,100 quintals.

He said that the problem of marketing the ginger still exists, which has limite limited the expansion of this nontraditional product in the northeastern zone.

Lasose reported that the planting of annatto is still limited to small areas, meaning that commercial production is found in the regional area.

He noted that 36,000 plants were produced last year, of which 26,000 were distributed. An area of 515 fields was planted.

Production of scarcely 320 quintals was achieved last year, but producers were provided with 40,000 50-pound bags of annatto seed in order to promote the planting of the product.

11,464
CSO: 3248/217

CANTALOUPE PRODUCTION UNDER CBI BEGUN

Santo Domingo LISTIN DIARIO in Spanish 9 Jan 86 p 2D

[Article by Miguel Amado Nova]

[Text] Palo Verde, Monte Cristy--The Delmonte-Cristy Agroindustrial Complex, which operates here with an investment of some 30 million pesos, will soon make its first shipment of melons to American markets from the Manzanillo port, according to General Manager Alberty Vasquez.

Vasquez explained that the melons which the company will soon export will be cantaloupes, in great demand in the United States because of their superb flavor.

He noted that based on the planting plan, it is anticipated that when the 22,000 fields are in full production, some 50 boxcars containing 1,008 40-pound crates each will be exported from the Manzanillo pier each week.

Vasquez added that despite the fact that only 8,200 of the 22,000 fields which the company leases from the Dominican Government are in full production, agricultural activities have absorbed the labors of over 320 persons a day.

All the fields acquired by the company were unproductive and were equipped with machinery from the United States such as bulldozers, graders and other equipment such as water pumps to be used in irrigation by sprinkling.

Vasquez reported that Montecristy Agroindustrial is a complex set up for the operation of La Cruz de Manzanillo government farm, which grows vegetables using advanced technology.

Exports of production will go solely to the United States, in accordance with President Ronald Reagan's measure for the Caribbean Basin. With the shipments to be made through the port of Manzanillo, port personnel will be permanently employed.

Vasquez said that along with the development of the farm, an agricultural research program has been initiated with the planting of 85 varieties of different vegetables, such as tomatoes, melons, cucumbers, garlic, eggplant and others, for the purpose of determining species most resistant and having the best production in the area.

The investment of Delmonte-Cristy will amount to some $10 million, which in national currency totals about 30 million. The money will be spent over a period of 4 years, by the end of which time it is hoped that a labor force of some 5,000 agricultural and technical workers will be employed. The manager of the enterprise explained that the government is part of this agroindustrial development through the contribution of land and infrastructure in the area, along with investors Richard Hutchens of the United States and Sergio Echenique of Chile.

All equipment to process frozen vegetables was purchased by the company in the United States to be incorporated into the agroindustrial complex in the handling and hauling of vegetables.

Finally, Vasquez said that Delmonte-Cristy Agroindustrial has a policy of exporting production, but that it will earmark some for the domestic market.

11,464
CSO: 3248/217

DOMINICAN REPUBLIC

BRIEFS

ELECTRIC COMPANY, UNION AGREEMENT--The Dominican Electric Corporation (CDE) has reached a settlement with company workers, contained in a collective bargaining agreement signed last night. The document was signed in the office of the administrator, Eng Marcelo Jorge Perez, putting an end to nearly 2 months of negotiation and a difficult climate of demonstrations affecting service. The CDE also experienced problems with service yesterday when a breakdown occurred, forcing three plants generating 125,000 kw of power to shut down. All day yesterday, over half of the capital, especially in the southwestern zone, was without power. According to the CDE, the problem, which occurred on a line distributing 60,000 kw of power from the Haina plant, was corrected by 1600 hours. Plants 1, 2 and 4 in Haina had shut down. Concerning the new agreement, one company source said that a satisfactory understanding had been reached between the parties and that it was hoped that attitudes which had created friction among company workers in the past would be overcome. One union sources said that a press conference would soon be held to reveal the details of the agreement. [By Jose Romero] [Text] [Santo Domingo LISTIN DIARIO in Spanish 18 Jan 86 pp 1, 11] 11,464

CSO: 3248/217

OPPOSITION LEADERS REJECT FEBRES CORDERO'S STATEMENTS

Guayaquil EL UNIVERSO in Spanish 29 Jan 86 p 5

[Text] Quito--Various political sectors commenting on the radio-television speech given by President Leon Febres-Cordero last Monday night cited serious contradictions between words and deeds.

Government Majority

The critics focused primarily on the president's call for elections in June of this year. The passage of Law 009 means that Ecuadoreans have lost the right to elect minority delegations in sectional governments.

The critical remarks regarding the president of the republic also emphasized his assertion that it is the government opposition that is holding up the reforms in the Civil Registration, Identification and Documentation Act, which prolongs the use of identification cards indefinitely.

Another target of criticism was the president's statement that it is the opposition sectors that want provincial deputies to be able to extend their own terms, when it is actually the pro-government legislators who favor this.

Deceit

Social Democrat Antonio Rodriguez Vincens stated that President Febres-Corder's speech "was one more illustration of the cynicism, demagoguery, distortion of the facts, and deliberate deceit of the Ecuadorean people that his administration practices. He was so brazen that he even mentioned the text of one bill and showed the signatures supporting a different bill."

Rodriguez indicated that Febres-Cordero, putting on a show of false indignation, accused the opposition of trying to impose obstacles to prevent provincial deputy elections in June 1986. He tried to pass himself off as the steadfast defender of the electoral process.

Rodriguez noted, however, that the president intentionally failed to remind the Ecuadorean people that in an act that was entirely his own responsibility, he had signed Law 009, thus eliminating council elections.

It is not possible, he added, for the person who played a key role in the elimination of those elections to claim now that he is the defender of Ecuadoreans' right to elect their representatives.

Pro-Government Deputies

With regard to the accusation that the opposition has refused to approve the reforms of the Civil Registration, Identification and Documentation Act, which keeps the identification cards in effect indefinitely, the deputy for the Democratic Left asserted that President Febres-Cordero did not tell the Ecuadorean people that since 10 August 1985, the National Congress has been controlled by a pro-government majority. Therefore, he should aim his criticism at his own political allies.

Rodriguez also rejected the notion that the legislative opposition is to blame for the bill to interpret Article 143 of the Political Constitution, contending that it was inspired by Deputy Galo Atiaga Bustillos, an ally of President Febres-Cordero. He also noted that the matter had been taken up by the Constitutional Affairs Committee, which has a pro-government majority.

Massive Propaganda

In addition, he indicated that the threat to call a plebiscite is a means of exerting pressure on the National Congress so that it will pass the constitutional reforms proposed by Febres-Cordero. He noted, however, that such a plebiscite cannot be called without Congress taking a stand.

He also stated that the coincidence of the plebiscite and the provincial deputy elections will be used to justify the massive propaganda campaign that the administration will launch against the opposition candidates, to the benefit of pro-government candidates.

Victory for Progressives

Jorge Moreno Ordonez, a national deputy for the Popular Democratic Movement, said that the fact that President Febres-Cordero was forced to call provincial deputy elections for next June means that the chief executive "has revealed a new failure on the part of the government."

The president's statement represents a victory for the progressive bloc in Parliament, and for all the movements that have been supporting and demanding elections to elect councilmembers and provincial deputies all at once, he added.

He recalled that it was President Febres-Cordero who signed Law 009, which had been passed by the pro-government majority. This law eliminated the election of minority delegations in sectional governments.

He also pointed out that the deputies who signed the bill for extending their own terms were members of the National Reconstruction Front, the Concentration of Popular Forces (CFP), the Alfarists, and independents.

With regard to the announced plebiscite, he maintained that the president of the republic is now taking a short cut to distort the announcement. He described the plebiscite as a political trap designed to confuse the Ecuadorean people by using the problem of the independents, and to win a purported popular backing for the government's efforts. He predicted, however, that the people will reject that attempt.

8926
CSO: 3348/428

ADMINISTRATION ADOPTS NEW ECONOMIC MEASURES

Guayaquil EL UNIVERSO in Spanish 29 Jan 86 p 4

[Text] Quito--The Monetary Board set the price of the U.S. dollar at 110 sucres for the foreign exchange that will be used to pay for all balance of payments transactions.

At the same time, it implemented the new Import Tariff, and set new minimum prices for banana products. Economic officials believe that these decisions are aligned with the government's overall policy, and will enable it to cope with the oil crisis while continuing the reconstruction of the country along the path of steady and balanced development.

Export Incentives

The new president of the Monetary Board, Alberto Dahik, announced the adoption of the package of measures. In his view, they will provide incentives to the export sector and will rationalize imports, heading off possible crises in the external sector as a result of the current deterioration of the world oil market.

The manager of the Central Bank, Carlos Julio Emanuel, asserted that the Monetary Board has rehabilitated the market that is free of Central Bank intervention by setting the purchase price of the dollar at 108.50 sucres and the sales price at 110 sucres for dollars to be used in balance of payments transactions.

Only for Balance-Sheet Operations

As a consequence, the official rate of 96.50 sucres to the dollar will be used only for the balance-sheet operations of the Central Bank of Ecuador.

He estimated that the measure will constitute an incentive for the export sector, which should translate into the strengthening of that branch of economic activity.

In addition, Minister of Industries and Trade Xavier Neira announced the implementation of a new import tariff. He stated that this instrument is compatible with the adjustment in the exchange system and the setting of new floor prices for producers.

He indicated that the new tariff links the duties to the system of exchange rate lists approved by the Monetary Board, and establishes a series of mechanisms designed to promote healthy competition on the market.

Floor Prices

To complete the package of economic measures, the Agriculture Ministry established new minimum prices that exporters must pay farmers in order to guarantee better profits to the production sectors.

In this regard, the following floor prices must be paid by exporters to growers of Cavendish bananas and other resistant varieties:

For the 22-XU type, 19.52 kilograms, 215 sucres; for the 115-K type, 15.44 kilograms, 170 sucres; for the Box 208 type, 12.72 kilograms, 147 sucres; and for the 25-27 type, 11.8 kilograms, 140 sucres.

These prices became effective yesterday throughout the country, and are considerably higher than the previous prices for the same types of boxes and weights. Those prices had been 165, 130, 107 and 100 sucres, respectively.

New Tariff

A ceiling of 125 percent, including tax surcharges, is imposed in the new Import Tariff that was implemented yesterday.

The instrument maintains the same tariff ranks for 37 percent of the products covered, which comprise a total of 5,067 items.

The importation of 579 items is still prohibited; the ban covers goods considered to be vulnerable to foreign competition. The list includes small-scale industrial items and artisan products such as clothing, wooden furniture, shoes, native crafts, food products and others.

Products for final consumption that are considered luxury items and are not subject to trade registration, and goods that were taken off the list of banned imports, have been classified on List II, with tariffs ranging from 55 to 80 percent.

The nominal tariff for protecting national industry is 98 percent; such products are classified on List 1-B with tariffs ranging from 20 to 90 percent.

Products that are produced nationally but in quantities insufficient to meet domestic demand will be subject to rates from 20 to 50 percent.

Products not manufactured in the country that constitute basic components for the development of productive activity are taxed at a maximum of 25 percent; they are included on List 1-A, with tariffs ranging from 0 to 20 percent.

Some exceptional products have been classified on List 1-A even though they are produced in this country, considering that the importation of such products is a function of national consumption and it would be inappropriate to drive up the prices of these imports.

Progressive Tariff Rates

The proposed tariff rates involve progressive levels for the categories of raw materials, semi-finished goods, finished goods, and final consumer items. Capital goods and their parts and components are excluded from these categories.

Replacements and Similar Items

For this kind of product, the tariff is set at the same rate in order to keep the so-called scientific contraband to a minimum. For the same purpose, a tariff rate equal to or higher than that imposed on the other items as a whole was approved for other new items.

In connection with the new tariff, about 26 new categories have been created in order to solve problems that affect the economy, as in the case of prawn larvae, lobsters for breeding, radial tires, and other products. These new categories are designed to protect national products on the one hand, and to prevent the prices of imported goods from rising too high if such goods are needed by this country but not produced here.

8926
CSO: 3348/428

24 PERCENT INFLATION EXPECTED IN 1986

Quito EL COMERCIO in Spanish 12 Jan 86 p A-4

[Commentary by Eduardo Larrea S.]

[Text] The bad news at the beginning of the year is that the inflation index rose from 22 percent to over 24 percent. In other words, from November to December the rate climbed from 1.1 percent to a few points over 2 percent.

If the monthly growth of inflation continues at the same pace as in the last month of 1985, the prognosis for 1986 is that inflation will remain at an annual rate of about 24 percent. And if we refer to the base year that is used to calculate the inflationary coefficient for the nation, we see that in more or less 4 years this coefficient will double. Thus, food, beverages, clothing, housing and most or all other expenses will double again by 1990.

This phenomenon will have a tremendous impact; either wages will have to double during that period, or if they do not move, all citizens will have lost at least 50 percent of their buying power.

And this bad news is exacerbated, in our view, by the confusing statement made by the president of the Monetary Board. He believes, if I understand him correctly, that maintaining the current coefficient and rate of inflation represents a kind of victory, a good policy and a good omen, because inflation did not rise any higher.

If this is going to set the pattern for monetary policy in 1986 and the years to come, it amounts to an admission that inflation has defeated us. Moreover, it indicates a failure to grasp the fact that just maintaining that coefficient and monthly rate of inflation would deal a severe blow to citizens on fixed incomes, to workers and peasants, to the majority of the population. The exception would be merchants who could pass on the rising prices of the goods in their inventories; industrialists, who could opt for a similar strategy; and perhaps farmers, if they can pass inflation on to middlemen. In other words, the rich, those who have the means of production under their control, those who can defend themselves, would be the only ones who could cover themselves against the rate of inflation. In fact, they might even be able to speculate on inflation in a logical manner, building up the process and precipitating an uncontrollable surge in prices and tremendous repercussions on the cost of living in general.

I prefer to take another route. The president of the Monetary Board referred to the past and stated that because inflation did not rise at a faster rate than it had at the end of 1984, it has not undergone any serious changes. He feels that this can be regarded as the fruit of a monetary policy that monitored the pace of inflation and kept it from increasing or worsening in 1985.

If this is the correct interpretation of Dr Raul C. Huerta's remarks, then the coefficient and rate of inflation recorded in the last month can be considered at least acceptable.

But I would venture to guess (I have made no calculations because I do not have the necessary statistics) that the rate went up and so did the coefficient of inflation. I say this because in the last month of the year, even though the price and quantity of food products, fabric for clothing, urban and rural housing, and other elements in the basket used to measure inflation did not rise, thanks to divine mercy, there was an extraordinarily sudden increase in the amount of goods available to meet overall demand for food for Christmas and the New Year; in fabric for the new outfits that many people tend to buy for themselves or others, even if only once a year; and in the gifts, liquors and entertainment that people invariably pay for during the festivities to celebrate the founding of Quito, Christmas, and the New Year. And these items rise by legal mandate, due to the 13th salary and the Christmas bonuses that employers in commerce, industry, stores and services tend to pay, particularly in urban areas, in honor of these holidays.

To be sure, if the objective had been to curb or limit the rates and coefficients of inflation, it would have been necessary to engage in some monetary planning that would not have been very popular. For example, raising the legal reserve requirement by one or two percent, restricting credit, and calculating the amount of these special resources at the end of the year to adjust the money supply or medium of exchange to levels that might be below normal, because V and V' (the velocity of resources and deposits) multiply these resources on the market. This is truly a difficult measure to take, because it is unpopular and because there was not even enough time to think it over, given the renegotiation of the debt that was going on in December. Furthermore, there was undoubtedly not enough precise information available to calculate the amount of these resources, which inevitably affect the final demand for goods and services in the last month of the year. In addition to all that, all industrialists, merchants and salesmen try to get the most out of the holidays and sell at the best price, abusing the commercialization of Christmas in our consumer societies.

8926
CSO: 3348/428

CONGRESSIONAL MEMBERSHIP ISSUE DIVIDES MLN

Sandoval's Position Rejected

Guatemala City PRENSA LIBRE in Spanish 14 Jan 86 p 8

[Text] Last night in a secret meeting held by the National Executive Committee of the MLN [National Liberation Movement], they decided not to follow leader Mario Sandoval Alarcon's opinions on some aspects of national politics.

The members of the committee revealed at a press conference that the meeting was to have been held at party headquarters at 1500 hours. However, well-armed private individuals kept them from entering so they had to go to 10th Avenida 14-07 Zone 1 that night.

The National Executive Committee of the MLN, with a vote of 7 in favor and 4 absent, authorized the bloc of deputies in National Congress to accept positions on the new congressional executive council. Sandoval Alarcon was opposed to this.

They also agreed that any party leader at the national, departmental, or municipal level could accept positions in the new government but they must remain faithful to their principles.

The following attended the secret meeting: Dr Hector Aragon Quinonez, Rodrigo Valladares, Juan Salguero, Arnoldo Lopez Straub, Edgar Obdulio Chinchilla Vega, engineer Miguel Angel Ponciano, and Dr Ivan Rodriguez. Mario Sandoval Alarcon, architect Raul Midence, Arturo Maldonado de la Cerda, and Francisca viuda de Hernandez did not attend.

Ideology, Participation Consistent

Guatemala City PRENSA LIBRE in Spanish 11 Jan 86 p 4

[Text] Deputy Hector Aragon Quinonez, secretary general of the MLN, said: "Belonging to an executive council does not mean ideological weakness or party treason." He will be elected vice president of the council of the legislative organization.

He gave this response when commenting on the position of the National Center Union deputies who turned down the vice presidency and secretariat by order of the party's leadership cadres.

"It is a political honor to hold a position on the council. We feel that it is possible to work for the national good on an executive council. Being in the opposition does not mean that one is not going to be interested in everything that is worked on. Also the best way to learn about things is to be on the council.

"The MLN will be constructive opposition. This does not mean that it will not actively participate. The interior government committee is the most important in the Congress of the Republic.

"By being on the executive council, it is easier to work for the benefit of the country because even there we will be in the opposition."

7717
CSO: 3248/203

CHURCH OFFICIAL ON SOCIAL INJUSTICE, GUERRILLAS, CHURCH ROLE

Guatemala City PENSA LIBRE(Sunday Supplement) in Spanish 5 Jan 86 pp 4-5

[Interview with Msgr Prospero Penados del Barrio, metropolitan archbishop, by Danilo de Leon]

[Text] [Question] What is your opinion concerning the recent violence?

[Answer] In the recent past, the church has been dealt serious blows by political violence on those occasions when priests and church workers have applied themselves to social issues, the development of the Indian population, the peasants and the neglected poor. This human and Christian effort has been placed in doubt as if it were a communist activity, on the basis of the distorted thinking of some groups which oppose us.

We have been persecuted under false labels. Priests and teachers of the catechism have died and others have disappeared or have had to flee or go into exile. I have witnessed these outrages, sad experiences which instead of weakening us, strengthen us. We have become stronger in spirit so as to espouse the ferocious defense of respect for human rights in this country.

Naturally, we all hope that with the installation of the new government, things will change in Guatemala, although we are aware that all of the changes cannot be effected overnight. In any case, a new climate of change can be sensed in the atmosphere, wherein all of us citizens of Guatemala must dedicate ourselves to the task of seeking peace in a country with more order and respect.

[Question] What is the source of the attacks on the church and the use of the communist label?

[Answer] For obvious reasons, this cannot be specified, although I can assure you that there are groups interested in preventing any change in social conditions in the country. These are the same people who have cornered all of the wealth in the country, while people suffer from hunger. With this system of exploitation, an effort is being made to prevent the majority from awakening and learning to demand the rights to which the people are entitled. They want to keep the people in ignorance and in a situation of slavery. This is the sad reality which exists in Guatemala.

And from this point of view, the church has great difficulty in carrying out its mission, and then come the signals sent us to prevent us from bringing light to the masses who do not see the national reality, so that we can all live under conditions better suited to mankind.

It is no longer a secret to anyone that human rights are being violated here and man is being prevented from being himself in his legitimate aspirations, in his rights to express himself and mobilize. There is also room here to speak of the constant social and cultural discrimination, wherein the majority of the citizens of Guatemala have no access to culture, and many of them are persecuted for thinking differently. In other words, the abuse of power has come to exist. And all that works against worthy human development should be viewed as a violation of human rights.

[Question] Has respect for human rights in this country improved?

[Answer] Human rights are still being violated. People are still disappearing or being kidnapped. I am a witness to the most recent case which occurred last week, when I had to intervene so that a persecuted family could travel to Mexico after one member of the family was seized by the police force and disappeared. With the aid of the Mexican ambassador these people were able to leave. This example is a clear answer to your question, is it not?

When I spoke with these people, they told me that individuals dressed in uniforms similar to those of the army kidnapped a member of the family--a very humble one indeed--in Patzun, and the others were accused of being subversive. This was why they came to me in search of protection for their lives.

This is a situation which must be ended. It is not possible that a whole family can be forced to leave the country in some cases by a false accusation, after suffering serious outrages.

[Question] What is your opinion about the governments which have resulted from coups d'etat?

[Answer] It is logical that they would not enjoy popularity, because they are the product of violence, wherein therefore the constitutional order has been violated. In addition, as is logical, they do not represent the popular sectors but only the groups which, due to certain interests, sponsored this violent change. There are people who justify coups d'etat.

[Question] How would you comment on the present government?

[Answer] It is difficult to answer this question. We must remember that the chief of state only represents the desires of the commanders who in reality are those who have the real power. In other words, I believe that the chief of state has only undertaken to manage public affairs on behalf of the army. And he must have consulted with the commanders on all his actions and decisions.

[Question] Are you a friend of the chief of state?

[Answer] The truth is that this is not exclusively a state matter, but rather a responsibility which falls to all of the citizens of Guatemala. Coups d'etat, for example, are a thing of the past, and support of democracy has been demonstrated at the polls. I am an optimist, and all of the conditions which have developed allow me to predict many years of true democracy for the country.

Obviously, it is always said that interest groups are constantly knocking at the doors of the army officers urging them to bring about violent change. But in any case, I cannot imagine a single sensible person who wants to see this country plunged into a civil war.

[Question] How do you view the Guatemalan policy of neutrality in Central American conflicts?

[Answer] It seems to me positive. We should not forget that each country in the country is sovereign and independent, and the responsibility for what happens on its territory falls to each government.

[Question] Peace--how can it be won?

[Answer] This is a challenge for each citizen. The winning of peace must be begun in each home, with family unity, and then the belief in justice and social strengthening must be consolidated and spread to all national sectors. Without these elements, it will not be possible to achieve the much-desired peace.

[Question] What are the main problems of the church in Central America?

[Answer] In the atmosphere of conflict which the region is experiencing, the main problem is how to ensure that the church can carry out its evangelizing mission of love, justice and peace. I believe that we have gradually carried to every corner the message of total respect for our fellow men, within a stubborn, serious and all-encompassing struggle, because the basic rights of men are respected.

[Question] You urge social justice. What is the real meaning of this concept?

[Answer] Social justice goes hand in hand with the rights of man and is practiced in society in harmonious coexistence, wherein all tolerate each other and accept each other as they are, without imposing criteria by force and without eliminating the freedom which prevents the social advancement to which we all have a right.

The social justice to which I refer is that which does not allow the exploitation of the least capable by others, who enrich themselves through their labor. In other words, exploitation is not tolerated in any of its forms.

[Question] How would you comment on the guerrilla war?

[Answer] We maintain normal relations, those which should exist between a chief of state and the archbishop. General Mejia is a Catholic and, on occasion, we have dined together.

[Question] What is your opinion of the most recent report from Remigia, where a monument to the chief of state is being proposed because of his contribution to the electoral schedule?

[Answer] I do not support the idea of paying homage to people who do their duty with monuments. Moreover, I believe that General Mejia himself would say "No thank you" if someone proposed this to him. There are other ways of recognizing the work done in the process of the return to democracy. This business of monuments for doing something one was obliged to do does not seem right to me. It would be silly to build a monument to me because I behave properly.

But if it is a question of building a monument one should be dedicated to each individual who has contributed something to the process of democratization--the eight presidential candidates, the candidates for mayors' seats, the Supreme Electoral Court. Imagine where we would end up! We would become a country of 1,000 monuments dedicated to those who made it possible to find democracy again.

Perhaps this is the place to mention that the elections this time were free because of the pressure exerted by the press and the international community. This must not be forgotten. Guatemala has played its last card on the game board of the nations. We all knew this perfectly well.

[Question] Will the transfer of power proceed normally?

[Answer] A retired military officer, who is now a political commentator, told me that there will always be the possibility of problem situations, since the army has been in power for 15 years and has been involved in many branches of the public administration, and the military will not surrender its control so easily.

Of course I do not agree with this line of thinking. I believe that the military will not only surrender power, but that they will also return to their barracks to carry out the mission which is theirs and which is assigned to them by the constitution of the republic and its specific laws. It is a certainty that they will devote themselves to guaranteeing national security and public order, because they have become persuaded that armies do not have the capacity to govern.

Moreover, politically, it does not suit the new government to have a military officer in a public post other than as minister of defense, for logical reasons. It would be a great disillusionment if officials in the present government were to be assigned important posts in the Christian democratic government. None of this can occur. The people of Guatemala need a new state image, a cabinet of special quality and great capability.

[Question] How can democracy be consolidated?

[Answer] I do not justify it. However, in a country such as ours, where the social injustice of which we have spoken stands out, there is an explanation for this phenomenon. And until the social problems are corrected, I view the dismantling of these groups as difficult. This is another matter which I also hope the Christian democratic government will be able to confront and resolve. If it succeeds, it will have taken one of the firmest steps toward achieving peace and prosperity in the country.

[Question] Tell me, were the statements made by Father Pellecer Faena during the last days of the General Lucas government, when he talked to the press and on television, correct?

[Answer] I am glad that you have reminded me of this incident in history. I am sure that many people are still wondering how much of those statements was true.

To begin with, I will tell you that after the coup d'etat which put him in power, Rios Montt said the following, on one occasion: "Monsignor, Father Pellecer is a hot coal for my government to handle. Do you want this?"

Now we know that the army still has him under its protection, although naturally we do not know where or under what circumstances, except that we believe that he is in this country. Some people have told me that he is continuing as an adviser to the army, but he is never seen in public.

When he was presented in public by the government of General Lucas Garcia, I can tell you without the slightest doubt that he had already been brainwashed. I am as sure of this as I am that two plus two make four. I do not know Father Pellecer personally, but individuals who were close to him believe that he was the same physically, but had changed completely psychologically.

I recall that on one occasion a representative of the Jesuits came from Rome to speak with him, and the government would not allow a private meeting. He always appeared with witnesses present. Perhaps they thought that if they left him alone he might confess what they had done to him. They made him into a puppet, robbed him of his will, under God knows what pressures. It is my hope that one day he will appear alive and with all his senses intact so that he can relate what happened to him.

[Question] Since we are speaking of priests and politics, what is the status of Father Chemita?

[Answer] By his attitude, he has excluded himself from the laws of the church. He came to speak with me of his ardent desire to be mayor, and we warned him of the impossibility of his situation. During my trip to Rome, where I participated in the synod sponsored by His Holiness John Paul II, I sent Chemita a letter in which I told him I feared for him greatly, and I urged him to return to the fulfillment of his priestly mission in the church. A number of days have passed and my only answer has been silence. He is a sheep in the Lord's flock, and I would be happy to see him return.

[Question] Is it true that your friends speak of your resemblance to Anthony Quinn?

[Answer] As the Mexicans say, this was one more dig on the part of the political section in Guatemala, and many of my friends still annoy me with this. But when you interviewed me on a previous occasion, another friend called me at 6 in the morning to tell me that Rossano Brazzi appeared on the cover of DOMINGO. Guatemalans are like that.

5157
CSO: 3248/201

GUATEMALA

INACOP ASKS FOR GOVERNMENT NON-INTERVENTION

Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 4

[Text] The leadership of the cooperative movement yesterday formally asked president-elect Vinicio Cerezo Arevalo for non-intervention in INACOP [National Institute of Cooperatives] and declaration of its complete autonomy and absolute safety for the cooperative leadership of the country. It has been the target of repression, threats, and murder for many years.

The document containing three points was presented to Vinicio Cerezo Arevalo yesterday by the president of CONFECOOP [Guatamalan Confederation of Cooperatives], Oscar Vinicio Villa Anleu. The president-elect and most of the members of his cabinet accepted the invitation from the top leaders of organized cooperatives in the country.

The first point concerned the institutionalization of the cooperative sector. It requested the end of intervention in INACOP and declaration of its complete autonomy, turning its leadership and administration over to the cooperative movement as well as representation of the cooperative sector in pertinent state and autonomous institutions.

The second point concerned the creation of appropriate conditions for the free development of Guatamalan cooperatives. The movement requested: safety in the exercise of cooperative leadership; adequate supervision of the economic activities of the cooperatives in order to watch over the operations of the enterprise; prevention of unnecessary competition by state services with services that are already being offered by the groups organized in cooperatives; creation of appropriate financial policies and mechanisms for the growth and development of cooperatives; respect for and promotion of the organizations for vertical and horizontal integration of Guatamalan cooperatives; permission for Guatamalan cooperatives to participate in economic activities and public services capable of being made private through cooperatives; and strengthening of the programs of formal and informal education, giving priority to the practice and philosophy of cooperation through the movement.

Finally, the third point offers the new government: more than 800 popular organizations that have served 1 million inhabitants during this decade, providing them goods and services in the sectors of production, distribution, and consumption, on time and without cost to the state; a generation of leadership with a new concept of associative production enterprises with free access for the isolated sectors that want to be incorporated in the economic activity of the country; a network of organizations to distribute strategic components for development; and a socioeconomic infrastructure throughout the country, generating capital and labor.

The three proposals in the document called "global policies of agreement" were explained to president-elect Cerezo Arevalo and his companions by Oscar Vinicio Villa Anleu, Rocael Garcia, and Rolando Baquiax. They pointed out many things to reinforce their requests.

Rocael Garcia asked, in the name of the movement, that the new government finally end the tragedy affecting the cooperative leaders so that there is safety in the exercise of leadership. This will keep the leadership of the movement from constantly having to go to police stations searching for missing people.

Responding to the cooperative leaders, Vinicio Cerezo Arevalo revealed that he was very impressed by that meeting because his program of agreement was being put into practice. He added that everything that had been requested would be analyzed and decided on. The majority of the document--which he said was very well written--would be possible because it agreed with the aim of the new government.

He called the cooperative movement the best instrument of development and offered absolute safety to the leaders of the cooperative organization and other popular sectors. "We could never do what they did to us. Be assured that my government will respect the right to life. However, we all have to work together because there are hidden forces that are opposed to a real democracy."

The new constitutional president concluded: "Don't believe that, by reaching power, everything is going to change automatically and miraculously. The task is difficult but we will achieve it with the participation of the Guatamalans. There will be open communication with all sectors and we will energetically oppose the secret groups that have already announced their operation in the country."

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UNION CONGRESS DEBATES ROLE UNDER NEW GOVERNMENT

Strategy Planned

Guatemala City PRENSA LIBRE in Spanish 4 Jan 86 p 9

[Text] "For the workers, democracy along with social justice is something simple enough to satisfy our primary needs and to provide the freedom so that we can organize. However, basically this organization should not exist at the expense of our lives. In other words democracy must give us, on a priority basis, personal safety and the opportunity to participate in the major decisions affecting the people."

The above is part of the text of a speech delivered by the secretary general of the United Confederation of Guatemalan Trade Unions (CUFG), Juan Francisco Alfar Mijangos, to inaugurate the National Trade Union Congress. This gathering will analyze the national situation in order to define the policy the workers will adopt toward the new government.

Representatives of approximately 100 trade unions in the country are participating in the congress and they will set forth problems from which their respective communities are suffering, as well as possible solutions. Their conclusions and recommendation will be submitted to the president elect, Vinicio Cerezo, next week, for implementation in practice.

Alfare Mijangos spoke of the need to train leading cadres properly, "to train them in practice and in education, linking theory and experience so that they will not make errors which do us harm." He said that the trade union movement in Guatemala must develop in quantity and quality.

Prior to the inauguration of the congress, leaders Florencia Castaneda de gomez and Jose Milagro Hernandez, representing women union members and the farm sector, respectively, spoke of the importance of the role they plan in the national labor union movement.

Castaneda de Gomez said that statistics show that women outnumber men, and "yet" she said "they have always been excluded from the political and trade union of the life of the country, but an effort is being made to involve them in national decisions."

Hernandez, for his part, spoke about the farm union movement since its origins, emphasizing the fact that despite the pressures upon it throughout its history, it has remained united in order to participate actively in the new constitutional life in Guatemala.

An inaugural blessing was given the premises used as the headquarters for the congress by Efrain Hernandez, chancellor of the Catholic Church, representing the metropolitan archbishop, Msgr Prospero Penados del Barrio.

Legislative Salary Proposal

Guatemala City PRENSA LIBRE in Spanish 11 Jan 86 p 6

[Text] The national trade union movement has proposed that the deputies to the next legislative congress earn 100 quetales per day for each session they attend, according to the conclusions approved by the National Trade Union Congress.

The conclusions were divided into two parts and will be submitted to the president elect, Vinicio Cerezo, for analysis and consideration of the desirability of implementing them during his administration.

Concerning the salary of deputies, it was suggested that they should not be paid a fixed sum so as to avoid the abuse of nonattendance, and also that secret payments be eliminated.

The conclusions noted the desirability of reforming administrative management in the executive branch, such as to make it more efficient and to incorporate the most honest and capable Guatemalans, without regard to their affiliation or party preference.

The conclusions urge a reform of the judicial branch, the promulgation of more practical laws and the selection of judges from among the most honest professionals. In this connection, legislation should be passed to ensure that labor trials do not last more than 30 days. A trade union law should be promulgated to avoid efforts by the labor authorities or political parties to manipulate the members of the movement, and so that the trade unions will be headed by the workers. Recommendations also included a general wage increase, so that the workers can regain their purchasing power, along with effective price reduction systems.

Other recommendations include guarantees of an atmosphere of peace for the citizenry, an effort to locate all of the individuals who have disappeared and are still alive, immediate seizure of the weapons and dismantling of the death squads, revaluation of the currency, a complete review of all minimum wages and the efficiency of the IGSS [Guatemalan Social Security Institute], the Workers' Bank and the BANDESA [National Development Bank].

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GUATEMALA

NEW IMPORT TARIFFS CAUSE UPSET IN PRIVATE SECTOR

Importers, Consumers Pay

Guatemala City PRENSA LIBRE in Spanish 10 Jan 86 p 45

[Text] Manufacturers operating in this country and natural or juridical persons importing goods subject to the selective consumer tax will have to pay that tax as of the 9th of this month, when the law set forth and included in Decree Law 3-86 went into effect, with its publication in the DIARIO OFICIAL.

This tax will be applied to the first phase of the process of producing or marketing the goods destined for domestic consumption and included on a list which the executive branch will approve by means of a government decree.

The base on which the tax will be applied to domestic production is the value of the sales for consumption calculated at the factory sale price of the goods the taxpayer manufactures.

For imports, the amount of the customs duties paid in fact by the importer and shown on the customs authorization will be added to the CIF value.

According to the law, the executive will have to draft and approve the list of goods to which this law applies, as well as classifying goods, amending the list by means of additions or exclusions and amending the tax rates. The lists have not yet been published.

Tax Rates

The rates for the selective tax on consumption range up to 15 percent for the goods included in Category A on the list. They range up to 45 percent for the goods in Category B, and up to 100 percent on goods included in Category C.

Payment of the tax must be affected within the first 20 days after the calendar month involved.

Submission of the sworn statement after the prescribed period will be penalized by a fine of 50 quetzales. Late submission of the list of factory prices will be subject to a fine of 500 quetzales.

Late payment of the tax will make the taxpayer liable, without need for any notification, to the interest due for each day of delay. This will be calculated on the basis of the maximum annual tax established by the Monetary Council for the banks in the system, increased by 4 percentage points.

Interest must be paid at the same time as the overdue tax.

The executive branch, through the Ministry of Finance, will have to promulgate the supplementary regulatory norms for the correct application of this law.

Chamber of Commerce Opposition

Guatemala City PRENSA LIBRE in Spanish 4 Jan 86 pp 7, 30

[Text] The Chamber of Commerce of Guatemala has urged that the so-called Rule of 3, included in the customs tax, be repealed, believing it to be harmful and prejudicial to the consumer economy.

The head of this institution, Jonas Vasquez Alvarado, said yesterday afternoon that it is typical of the current government to take steps without consulting the factors affected and involved, in the implementation of a law which will prevent the import of 80 percent of the products coming from third countries.

He expressed the view that in order to increase tax income, customs duties will be almost tripled for finished products or raw materials which are imported, because the conversion of the value of the goods in customs to quetzales will be based on the rate of exchange established by the Bank of Guatemala, known as the application of the Rule of 3.

Vasquez Alvarado said that the application of this rule is equivalent to a devaluation, because in collecting import taxes on the basis of the quetzal amount invested in the purchase of dollars, the parity of our currency with the dollar ceases to exist officially, since the value to be assigned to the goods will be multiplied on the basis of the value of the dollar purchase, in order to be able to cover the taxes.

This direct increase for imported goods and raw materials will without a doubt lead to a greater increase in the prices of all articles, which will passed on to the consumer. This will create greater problems for the Ministry of Economy, since price controls cannot force one to sell goods for less than was paid for them.

He said that if by misfortune the quetzal should lose value further as compared to the dollar, the value of customs duties will automatically continue to rise, "and therefore if the government tries to increase tax income, what it does is to reduce imports which will not generate taxes.

"Instead of reducing public expenditures, more taxes are being created to maintain the bureaucracy, thus sacrificing the people of Guatemala even beyond what they are already suffering."

The Central American customs and tariff systems which went into effect on the first of this month has led to an intensive controversy, both in the executive branch and in the National Constituent Assembly and the private sector, in this case business circles. These opinions have been set forth as follows.

"There will be increases for various imported articles with the new Central American tariff and customs systems (ARAUCA)," the acting president of the National Constituent Assembly, Deputy Ramiro de Leon Carpio explained.

"Its application, as described in the text published, will definitely affect the import of various products, on which the prices will logically increase, as if it were a question of new taxes.

"Regrettably, this increase will be harmful to the people.

"If it has this effect, it will deal a harsh blow to the people who are facing an economic crisis such as has never been seen before.

"In this connection, the most damaging thing to the new government regime is the fact that the people expect much more than can be done.

"The price increase will deal a harsh blow to the people, who will not obtain what they expect of the new government, since their economic situation will suffer a blow.

"This will be very serious for the new Christian democratic regime, since the people see that it will be a leftist government and expect solutions of another kind, not the imposition of new taxes.

"The application of the ARAUCA is the result of an adjustment in the economic integration process, to regain a "modus operandi" for the common market. But this adjustment does more serious harm to Guatemala, because of the consumption of the various products which will suffer, because of the existence of the parallel market. It is a question of products which are being imported."

Views of Rivera Irias

"No new taxes have been created. All that has been done is to correct an abnormality," Ariel Rivera Irias, minister of finance, stated yesterday on the subject of the effects of the new customs and tariff system.

This official explained that the real value of the goods will now be utilized, which has not previously been the case. In other words, the dollar value will now be converted into the quetzal value, while previously a one-to-one ratio was used for prices and values.

He said that this instrument contains three very important parts. They are: a) a comparable common tariff rate for the Central American countries; b) an advance toward a comparable regional rate, excluding Nicaragua, which is not yet a participant; and c) a customs rate for products drafted by each government, seeking industrial protection in Central America, among other goals.

"In addition, the application of the new customs system will mean an increase in fiscal income, while will allow the new government to reduce the new budget deficit for this year."

He added that these countries are only carrying out a promise made, with the approval of the new customs and tariff system, with the exception of Honduras. Concerning the changes made, Rivera Irias said that the customs rate will now have a base, the real quetzal value.

"Guatemala is one of the countries farthest behind in terms of a tax system, and with the entry of the customs system into effect, this sector will benefit, because our rate is rather lower than that of other countries."

Deputy Oliverio Garcia

The greatest problem in applying the ARAUCA involves abandoning the application of the tax on the basis of the new foreign exchange rate, according to Deputy Oliverio Garcia, a member of the National Constituent Assembly and of the next congress of the republic.

"Where U.S. dollars are concerned, in addition to the official one-to-one exchange rate, another unit will be added to the foreign exchange rate determined by the Bank of Guatemala. In other words, it will be one to one, plus the exchange rate in effect, which was 2.35-to-one.

"One of the tasks of the next legislative congress will be to review all of this type of taxes.

"The new ARAUCA rate will lead to a general rise in product prices. It is logical that a measure of this sort will increase exports and at a certain time will also affect the family market basket.

"These will not be direct taxes, but the raw materials obtained by Guatemala from abroad will increase, including for example insecticides, fertilizers, etc. This will increase production costs and prices will take off.

"Although the authorities say that this is a Central American agreement which must be respected, it should be realized that the first thing is respect for the people, ensuring that they do not suffer, and that new taxes are not created.

"If the Christian democratic government which will take office on the 14th of this month wants tax reform, it should adapt to the reality in Guatemala, so that the people who consume the most and have the greatest capacity will pay more."

Views of Enrique Rittscher

The "equicratic" sector has termed the tripling of import taxes through the increase in customs duties put into effect by the outgoing government on 1 January a "betrayal."

"This new tax raises the already high cost of living for the citizens of Guatemala catastrophically," marketing theorist Enrique Rittscher, the leader of the "equicrats," has said. This is because, he added, "it affects not only imports of capital goods and innumerable agricultural and industrial supplies, but also the prices of almost everything will begin to spiral upward.

"This is a betrayal of our people," Rittscher said, "because both General Mejia and Mr Cerezo, the outgoing and incoming heads of government, have repeatedly and quite recently promised that, for the time being, there would be no more taxes, much less any without prior consultation or "agreement," as the winning candidate proposed during his electoral campaign.

"The people are being betrayed with so much public expenditure, beautiful constitutions and very expensive officials and deputies and elections and electoral authorities, ceremonies and transfers of power, bureaucratic increases, etc., etc.--this is not how one feeds a people," Rittscher said, "because this is not governing equitably, or equicratically, to the benefit of the people, as should be done." He expressed regret that the sectorial leaders have not only lacked unity, been fearful and short-sighted, but that some have even formed common cause with what does harm to the population."

Danger of Recession

Guatemala City PRENSA LIBRE in Spanish 6 Jan 86 p 3

[Text] "The new taxes which went into effect with the new Central American tariff and customs regime, in accordance with Decree Law No 147-85, will have a recessive effect on the national economy and will make the people of Guatemala poorer," Juan Carlos Simons, the deputy elect sponsored by the MLN said yesterday.

"It seems that the next government has already accepted the taxes, which will lower the standard of living of the people of Guatemala," he added.

"When the Christian democratic candidate who is now the president-elect assured us in his speeches that there would be no tax increase, he was thinking as a candidate and not as a citizen of Guatemala concerned about the welfare of all, since it seems that agreement was reached with the present de facto military regime on the new taxes," he added.

"The effect will be to make not only automobiles more expensive, for example, but also all imported goods and raw materials, including supplies for agriculture. This will lead to greater unemployment and higher prices.

"The policy of the next government will apparently be the same as that of the preceding regimes, keeping the country in poverty," Deputy Simons said in conclusion.

Agriculture Unaffected

Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 2

[Text] "The new Central American tariff system will not affect agriculture substantially, especially when it is a question of importing machinery for this branch, which is basic to the country's economy," Engineer Humberto Mancur Donis, minister of agriculture, livestock and food said yesterday.

In this connection, he added that where Guatemala is concerned, norms and laws are in effect which establish specific treatment for the most important sectors of production, as is the case with the agricultural development law.

In all of this we see how nontraditional products have gained acceptance on the international market, but the traditional product, such as coffee, which currently sells at a good price, have also benefitted.

The country's farm production will be benefitted with the production of adequate quantities of broccoli, Brussels sprouts, snow peas and fruits such as mangoes, which are very popular in the United States, Europe and China. Therefore, incentives must be provided to producers through the agricultural development law, such as to avoid duties on the machinery imported from abroad.

Campaign Promises Forgotten

Guatemala City PRENSA LIBRE in Spanish 3 Jan 86 pp 11, 39

[Article by Hugo Contreras Valladares: "The New Taxes Versus the Honesty of Vinicio and Mejia Victores"]

[Text] Despite the insistence of friends whose businesses would be seriously affected by an untimely and sudden increase in import taxes to the effect that such taxes would be implemented before Vinicio took office, your servant ignored these "speculations," since on the one hand General Mejia Victores had officially and repeatedly announced that there would not be "more" taxes prior to the inauguration of the new government, and on the other, Vinicio made public and categorical statements to the effect that his government would not impose new taxes until a detailed review of existing taxes and the possible repercussions changes might have on the already suffering Guatemala consumer had been made. Moreover, he emphasized that the only thing desired was to impose direct taxes which would not be transferred secondarily to the people, but would affect only those who because of the volume of their earnings would be in a position to absorb them.

In view of the above, although the official and unofficial statements of Mejia Victores have never had the greatest credibility with me, I found it hard to believe that, as was being said in the streets, Vinicio had asked Mejia Victores to promulgate a number of decree laws, including one drastically altering import duties, in order to avoid the embarrassment of beginning his administration with the promulgation of laws with nefarious effects on the public.

It is absurd to think that even after almost 20 years of subjection to arbitrary, irrational and tremendously prejudicial laws and provisions, a president constitutionally elected by the people, and in addition enjoying the full support of the congress of the republic, would ask an acting government official to impose taxes which were unanimously rejeced months earlier by the people of Guatemala because the tremendous repercussions they would have on the price paid by the consumer for all of those article, whether of first necessity or not, subject to one extent or another to import taxes.

Personally, I continue to doubt that Vinicio had anything to do with the hasty measure of tripling import tax in totally indiscriminate fashion, affecting raw materials, agricultural supplies, capital goods and luxury articles equally. Where the latter are concerned, we totally agree that, on the basis of a proper classification, they could be taxed as much as one might wish, since this would affect only a small part of the population which is presumably in a position to cover the increase, and if not, they would only be deprived of a luxuriy and not of anything which might be regarded as a necessity. Now then, in the case of those items necessary for the proper pursuit of economic activity, I believe that one would have to be truly ignorant or full of evil intentions to fair to realize or to accept that excess taxes will have to be transferred directly and immediately to the final consumer, with the inevitable multiplying effect resulting from the safety margin applied to the final price.

I hear the minister of economy say that the new tariffs are not a unilateral provision, but arise out of a Central American agreement which Guatemala is committed to observing. Fortunately Mejia Victores did not state officially that during his government no "new taxes" would be imposed, but rather said, literally, that until his administration ended there would be no "more" taxes. Vinicio's statements left no room for doubt that there might not be any immediate change in the taxes, and that in any case, any tax amendment would not affect the socioeconomic strata with the most limited resources. Given the above facts, to believe that Vinicio asked Mejia Victores once again to act in violation of what he and his ministers officially and publicly proposed, and in violation of what Vinicio himself had stated publicly, is to weave a whole web of doubt about the honesty of Vinicio even before he has taken office. This is not fair, since Mejia Victores could very well have acted on his own initiative, without giving a fig about the official statements made ealier, an attitude typical of the present government.

By way of information, I should make it clear that the new customs tariff which Mejia Victores put into effect by decree had been under study since last year, and was to go into effect in the month of August 1985. However, for lack of agreement among the signatory nations, it did not go into effect until 1 January of this year. There has never been opposition to the new customs duties. On the contrary, the Chamber of Commerce participated in the discussions of the proposal, in the capacity of an observer, and provided its members with a broad and detailed report of the implications of the new duties. Basically, they were as follows: the new duties, although in some categories they will have a minimal effect on the volume of taxes, represent a better tool for the calculation and payment of import taxes, and therefore will make the work of importers and customs agents easier and more flexible.

I regarded this information as essential, since there has been an effort, in very bad faith, to link the new Central American tariff system with the plan to calculate taxes on the CIF (cost, insurance and freight) value expressed in quetzales, in accordance with the weekly value established by the pertinent department of the Bank of Guatemala for the dollar. This will mean that the tax which would have to be paid in accordance with the new duties will be multiplied by a value arbitrarily established by the government every week. We say bad faith, since in no way are the fiscal authorities in Guatemala obliged to apply the parallel rate to keep the promise they made on signing the new Central American tariff agreement, and if they do so, it will be on an entirely optional basis. They would thus be applying taxes in Guatemala which do not exist in the other countries in the area, where the currencies have been subjected to official devaluation, as have all the factors going to establish the cost and the sale price of the items, and therefore, the income of the consumers.

The application of the parallel principle to imports in indiscriminate fashion will have direct repercussions on the consumer with limited resources, those earning wages which have not been adjusted on the basis of any parallel rate, and it will affect the competitive capacity of agriculture and industry on an international level to an even greater extent, and in general terms, will lead to a shrinkage in economic activity.

I know that Vinicio and his advisers know of many ways of obtaining forms less harmful than this one and more consistent with their public statements. For this reason I do not believe the rumors to the effect that he was directly involved in this new abusive power and demonstration of ignorance and thoughtlessness, both political and economic. For this reason we hope that one of his first acts in government will be to do away with the application of the parallel principle to imports, and that he will take the trouble to use his good judgment and replace this measure with a suitable selective tax on consumption, or something else with a similar effect which would not affect essential goods and thus the neediest sectors in the country.

If, on the contrary, Vinico and his congress were to support the last-minute provisions put into effect by Mejia Victores, we would feel fully entitled to doubt his honesty and good intentions, as well as those of his party.

5157
CSO: 3248/202

GUATEMALA

AGRICULTURE MINISTER ON REDUCTION IN COFFEE, COTTON PRODUCTION

Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 14

[Text] Engineer Juan Humberto Mancur Donis, minister of agriculture, livestock, and food, announced yesterday: "Coffee production went down about 10 percent last year, approximately 300,000 quintals compared to 1984."

He indicated that cotton production also suffered serious reverses because of the rains and the drop in prices. That caused the cotton growers to go into debt and some of them "will lose their farms."

Mancur said that coffee production went up to 3.5 million quintals in 1984. However, because of some problems with the plants themselves, production went down almost 300,000 quintals in 1985--that is, 10 percent of the 1984 total.

The minister emphasized: "However, production can be considered encouraging since foreign prices for this crop have risen. That will permit the coffee growers to obtain good profits and bring in the foreign currency that we need so much."

Critical Situation of Cotton Growers

As to cotton production, the minister of agriculture indicated: "It suffered a considerable decline not only in production, but also in prices. They crashed on the international market.

"Although licenses were issued to plant more than 90,000 manzanas, these estimated goals could not be achieved since the rains caused serious damage to these fields."

Minister Mancur emphasized: "The case of the cotton growers can be considered critical since the ones who already owed the banks for previous crops sought refinancing thinking that they were going to have better luck in 1985.

"That increased their debts and they will not even be able to recover their expenses for the reasons cited above." Engineer Mancur added: "Some of the owners will lose their farms because of those debts."
7717
CSO: 3248/195

GUATEMALA

BRIEFS

CACIF CALLS FOR REVIEW--CACIF [Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations] yesterday asked the new government for flexibility in the list of maximum prices. It also requested adoption of a program of global stabilization to keep enterprises from closing and promote production while recognizing the value of our currency. In a communique, CACIF indicated that the high fiscal deficit announced and the implementation of the new Central American Tariff and the application of import tariffs in quetzals will increase the general price level. Isolated measures that will revitalize the national economy are not being adopted. The only result has been a bigger recession that impedes revitalization and stabilization of the current economic situation which is bad enough. It indicated that flexibility in the list of maximum prices is imperative. Otherwise, many enterprises will have to stop operations, worsening the already alarming unemployment and shortages which will make prices rise. Finally, it asked for the adoption of a program of global stabilization that promotes production and recognizes the value of our currency, not only in imports but also in exports. [Text] [Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 4] 7717

CSO: 3248/195

AZCONA'S POLICIES TOWARD U.S. ROLE CRITICIZED

Tegucigalpa LA TRIBUNA in Spanish 14 Jan 86 p 5

[Editorial report by Anibal Delgado Fiallos]

[Text] He did not say it during the campaign because he knew it was unpopular and whenever he was asked about it, he ducked the question. Callejas and Mejia Arellano were more sincere. But now that he no longer needs the people's votes and has gained the blessing of the empire, he says it clearly. This is the hard-hearted cunning of the shameless politicians: What is said during the heat of the campaign is gone with the wind. Too bad for the gullible who believe it. What is important now is the commitments made with international powers, often in the postelection phase and the penumbra of shame, because one has more faith in them, due to the fear of their interventionist machinery, than in the strength of the Honduran masses who carried the candidates to positions of national leadership.

It is not a matter of our defending the government of a neighboring country, but of basic principles of harmonious coexistence. The government's neutrality, respect for the self-determination of peoples and a policy of peace and friendship in Central America are principles that any serious and intelligent leader must support for the country's own well-being. To abandon them in order to adapt subservient positions is to continue to navigate amidst the most detestable lack of dignity.

In repeating what Reagan, Suazo Cordova and Paz Barnica say about the government of Nicaragua and in giving poorly concealed sympathy to Somoza's followers who insulted the national sovereignty, Azcona del Hoyo has disappointed many sensible Hondurans because he revealed something that is troublesome: He will follow the policy of compromise and subservience observed by his colleague Suazo Cordova in the international sphere, one that plunged Honduras into the most profound lack of prestige in the world.

Seeing the mote in others' eyes while failing to perceive the clod in our own is an unfortunate habit. When local politicians judge the Sandinist regime for having suspended the Catholic broadcasting station or for censoring the press while forgetting the political, military and economic aggression to which it is subjected fail to consider questions over which we Hondurans feel truly pained and alarmed: the over 140 missing politicians and their anguished mothers, sisters, wives and children, the political assassinations, the abusive intervention of the government in trade union and labor organizations, the persecution and torture of the clergy, the imprisonment and persecution of peasants and finally, the pro-American economic policy that condemns over 600,000 children and over 2 million Hondurans to hunger and poverty.

Or, just as "hero" James Bond was authorized to kill, do regimes enjoying Washington's blessing have authorization to commit these crimes against mankind without anyone, neither politicians nor newsmen, daring to say anything, under penalty of being accused of being part of the Bolshevik inferno?

Friendship with the American people must be strengthened, as must relations with their government, but there is something which men will never tolerate: that in the name of that friendship, they should treat us like lackeys or try to impose decisions which, however much they repeat ad nauseum, will never help democracy and freedom to flourish. If Azcona starts down the path of that heavy-handed unconditionality characterizing the government of Dr Suazo Cordova, then he is initiating a fatal descent that in 4 years will lead him to be one more national frustration.

To become involved in the aggressive, war-mongering plans of Mr Reagan is bad business for someone aspiring to be a good president.

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CSO: 3248/227

AZCONA SWEARS IN NEW CABINET MINISTERS

Tegucigalpa LA TRIBUNA in Spanish 28 Jan 86 pp 8-9

[Text] Celeo Arias: Open-Door Policy

An open-door policy for all sectors of the Honduran people was promised yesterday by the new minister of the presidency, Celeo Arias Moncada, who will now be President Jose Azcona's closest official.

Arias Moncada said that the new government will hear the proposals of all organized groups so that by working together, the best solutions may be found to economic, political and social problems.

The minister of the presidency is considered the right arm of the president, inasmuch as he provides liaison with all groups wishing to engage in a dialogue with the chief of state.

Regarding the new head of the Information Office, Arias Moncada said that a journalist will be chosen who enjoys the esteem of most members of the national press.

Efrain Bu Giron: Will Collect More Taxes

Efrain Bu Giron, new secretary of state for finance and public credit, has announced that he will fight tax fraud and smuggling, while seeking to improve tax collection systems.

He noted that as tax collection mechanisms are improved, the people will be spared the possibility of any new tax burden.

Bu Giron added that there will probably be changes in officials in all land, air and maritime customs offices throughout the country, but he said that such changes will be aimed at improving tax revenue and not based on sectarian reasons.

He also promised that the new government will set up a program of absolute austerity in public spending, but indicated that this will not imply any massive layoffs of public employees "because this would only worsen the unemployment problems facing the country."

Rodrigo Castillo: Crop Diversification

Promoting basic grain production programs and diversifying crops grown will be the main goals of the new secretary of natural resources, Rodrigo Castillo, the Presidential Palace announced yesterday.

Castillo said that in order to guarantee a supply of basic grain, greater support will be given to independent producers and the reformed sector, inasmuch as this will help to reduce inflation.

The official also pointed up the need to diversify agricultural production for export as a means of earning more foreign revenue and generating new job opportunities in rural areas.

He noted that privileges will be granted so that foreign companies will come to explore and develop mineral resources so that the country may have new sources of income.

Elisa de Martinez: Higher Salaries for Teachers

The new secretary of state for public education, Elisa de Martinez, said yesterday that in Honduras, teachers are poorly paid, as they are throughout the world, but she promised that under the government of Jose Azcona, they will have some pay raise, "although not as much as they deserve."

De Martinez added that the Office of Secretary of Education will not intervene in internal problems of teachers organizations, but that it will try to have their leaders engage in a dialogue so as to come to a harmonious understanding.

For the time being, she said, they will continue to be recognized as the authorities of teachers organizations "because they now enjoy that recognition and we cannot overrule that fact."

De Martinez added that the programs of the Office of Secretary of Education will be reorganized so that children and young people in Honduras receive the best possible education at all levels.

Mario Espinal: Farm Workers Will Participate

Farm organizations will participate in the agrarian reform process, Mario Espinal, new executive director of the National Agrarian Institute (INA), promised yesterday. Espinal said that over the past 4 years, agrarian reform was what received the least attention, but he guaranteed that the process would have new impetus under the government of Jose Azcona.

"They have been carrying out agrarian reform with the participation of farm workers and without the Honduran people being fully convinced of the process," he criticized.

Espinal also reported that the massive land grant program will be revised "because we believe that the peasants first need the means to cultivate the land."

Francisco Figueroa: Realignment of Development Plans

The new executive secretary of the Higher Economic Planning Council (CONSUPLANE), Francisco Figueroa, has announced that the new government will revise development plans based on the goals set forth.

He indicated that short- and medium-term plans will soon be drafted and that those already being applied would be revised so that greater benefit will go to the people.

Figueroa said that all capable and honest citizens wishing to participate in the planning of the country's economic and social development will be integrated into CONSUPLANE.

"We believe that government programs can no longer be hastily improvised without first planning in terms of the people's interests," he said.

Rendon Pineda: Tourism Reactivated

Promoting culture in all its forms and implementing programs reviving the country's tourist industry will be the main objectives of the new secretary of culture and tourism, Arturo Rendon Pineda.

The official said that the convulsive situation prevailing in neighboring countries harms Honduras' tourist development, but he promised that the new government will do everything possible to improve the situation of the "smokeless" industry.

"We firmly believe that the signing of the Contadora Peace Accord for Central America will help tourism in Honduras tremendously because a peaceful region is a great attraction for tourists all over the world," he added.

Raul Elvir Colindres: Municipalities Will Improve

The new secretary of government and justice, Raul Elvir Colindres, announced that he will give priority to the solution of problems facing the prison system and the extremely poor conditions existing in municipalities throughout the country.

Elvir Colindres said that the jails are not fulfilling their function of rehabilitating those who violate the law, but he also noted that it is not merely the problem of the Office of Secretary of Government and Justice.

"We are also going to emphasize the problems of the municipalities, especially those without even a minimum of revenue with which to operate. We shall try to help them economically based on the budgetary possibilities of the Central Government," he said.

The official promised that the distribution of economic assistance to municipalities will have no political bias because we are all part of Honduras.

Juan Fernando Lopez: Roads Will Reopen

The new secretary of communications, public work and transport (SECOPT), Juan Fernando Lopez, announced yesterday that his main activity will be to repair all highways and open up new roads for the people of Honduras.

He said that the condition of most roads throughout the country is deplorable and, despite the fact that the 20th century is drawing to a close, many areas still have no highways.

"A country without infrastructure cannot achieve development because even if it produces, its people have no way of getting their products to market," Lopez stressed.

He also reiterated that he will do his utmost to build the new Tegucigalpa airport, noting that the undertaking is necessary "because any day there is going to be a catastrophic accident that we shall all regret."

Reginaldo Panting: Price Controls Will Continue

The current government will continue price controls on basic consumer items, the new secretary of economy and commerce, Reginaldo Panting, announced yesterday. Panting noted that in most countries of the world, prices are determined by the mechanism of supply and demand, but that in Honduras, they cannot remain completely free due to the captive market economy operating here.

"The government has to control prices of basic items for the good of the majority of the people," Panting said.

However, he said that there will be a revision of tax incentives extended to some companies, labeling them as "phantoms" because they have left the country practically nothing.

"It is not that we want to close those firms, but in my opinion, the operation of these companies will have to provide greater compensation for the people and the government," he concluded.

Adalberto Discua: Unemployment Prime Target

The problem of unemployment is the No 1 enemy of Honduran democracy, the new secretary of labor, Adalberto Discua Rodriguez, said yesterday.

The official said that Jose Azcona's government will exhaust every possible means of generating new jobs so that those families with no way of earning their daily bread may do so and enjoy the benefits of the democratic system.

Discua Rodriguez said he supported a revision of the minimum wage, but that he would first have to hear the opinions of economic officials in order to measure its impact and not cause more harm than good to the working class and farmers.

He announced that he would maintain an open-door policy with labor organizations and management so that both sectors might work together in harmony and contribute to the country's development and progress.

Ruben Villeda Bermudez: Health Care for Masses

Ruben Villeda Bermudez, new secretary of public health, yesterday promised to make health care available to all Hondurans through a supply of medicines at all health centers in the country.

Villeda Bermudez pledged to work with the National Children's Foundation (PANI) in producing medicine in order to reduce the cost.

He said that medical personnel would be made available at all health centers in the communities in the interior so that the people might have better access to health care.

The new secretary of public health said he would work without partisan bias and that the best personnel would be integrated into the field of public health so they might lend their services in the different agencies of his office.

11,464
CSO: 3248/236

VILLEGA PESSIMISTIC ON REACHING SOLUTION TO HEALTH PROBLEMS

Tegucigalpa LA TRIBUNA in Spanish 13 Jan 86 p 49

[Article by Divina Alvarenga]

[Text] It would be an illusion to say that all the health problems from which the Honduran people suffer can be solved, but "we can say that we shall make the greatest effort and devote all our time and talent," Ruben Villeda Bermudez, newly appointed minister of health, told LA TRIBUNA.

Villeda Bermudez is publicity secretary of the Liberal Revolutionary Democratic Movement (M-LIDER) and has been asked by President-elect Jose Azcona to head that department.

Insufficient Increase

Villeda Bermudez believes that although the health budget was increased by over 60 million lempiras in 1985, totaling 230 million, it is still inadequate because "there is so much to do in Honduras."

But the increase was the result of a commitment to the Honduran people by all presidential candidates, he recalled.

The money earmarked for public health will be used with austerity and in keeping with priorities scientifically established by the ministry's Planning Directorate, Villeda Bermudez said.

For the future minister of public health, health education is important because one educates the people to protect themselves. The mother-child team will be another target of great concern, he said.

Another policy to be followed is the care of drinking water so that it will no longer be a disease carrier.

Villeda Bermudez will propose that Congress issue a Health Code "regulating advertisements for alcoholic beverages, cigarettes and food harmful to health."

For the radiologist, health problems are one part of the social environment and the result of poor housing, polluted water, unemployment, underemployment and poor employment, along with the need for true agrarian reform.

Honduras' problem cannot be solved with donations of milk, but with the implementation of agrarian reform and support to the community through overall education.

Changes in Personnel

Villeda Bermudez announced that there will be some changes in close advisers, but he said that some individuals may remain if it is shown that they have done good work.

He added that there will be no dismissals based on party affiliation.

He revealed that the next vice minister of public health will be Jose Trinidad Oqueli and that Yanuario Garcia will be named to planning and Fidel Barahona to epidemiology.

He noted that in order to solve the problem of the lack of medical care in rural areas, health centers and mobile hospitals will be set up, adequately provided with all the necessary equipment to provide care for village people.

In order to carry out this task, the ministry's facilities are inadequate, as a result of which it hopes to work with institutions such as the School of Medical Science, the Medical School and community service organizations such as the Rotary Club.

People's Pharmacies

"We shall set up people's pharmacies so that the poor may acquire medicine at low prices. For that purpose, we shall use the BANASUPROS," Villeda Bermudez said.

He noted that this does not mean competition with private pharmacies because the government must ensure the health of the people. Only prescribed items will be sold at the BANASUPROS.

Finally, he added that his predecessor, Juan de Dios Paredes, is a doctor with greater training in the area of public health and that "while he does have an offer from the Pan American Health Office to work in Costa Rica, if he does not accept it, I would ask him to be my adviser."

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CSO: 3248/227

HEALTH OF ECONOMY EXAMINED AS SUAZO CONCLUDES TERM

600 Million Fiscal Deficit

Tegucigalpa LA TRIBUNA in Spanish 27 Jan 86 p 88

[Article by M.N.]

[Text] Despite international pressures for the government to reduce public expenditures, the new administration is launching operations with a fiscal deficit of 600 million lempiras.

The fiscal gap, however, reached its highpoint in 1983 when it rose to 800 million lempiras, but at the close of 1985 current expenditures continued to rise in a way that might once again turn into an obstacle to the objectives of financial stability.

The way taxes were handled was not effective enough and those categories that show big improvement are taxes on production, consumer items and sales as well as taxes and duties on imports.

National government operating expenses were perhaps the determining factor in the increase in the fiscal deficit, since they constitute a factor that was present throughout Dr Suazo Cordova's entire administration.

To finance the fiscal gap, the government issued treasury bills and made use of direct loans and bank deposits, but 69 percent of the deficit was financed with external funds.

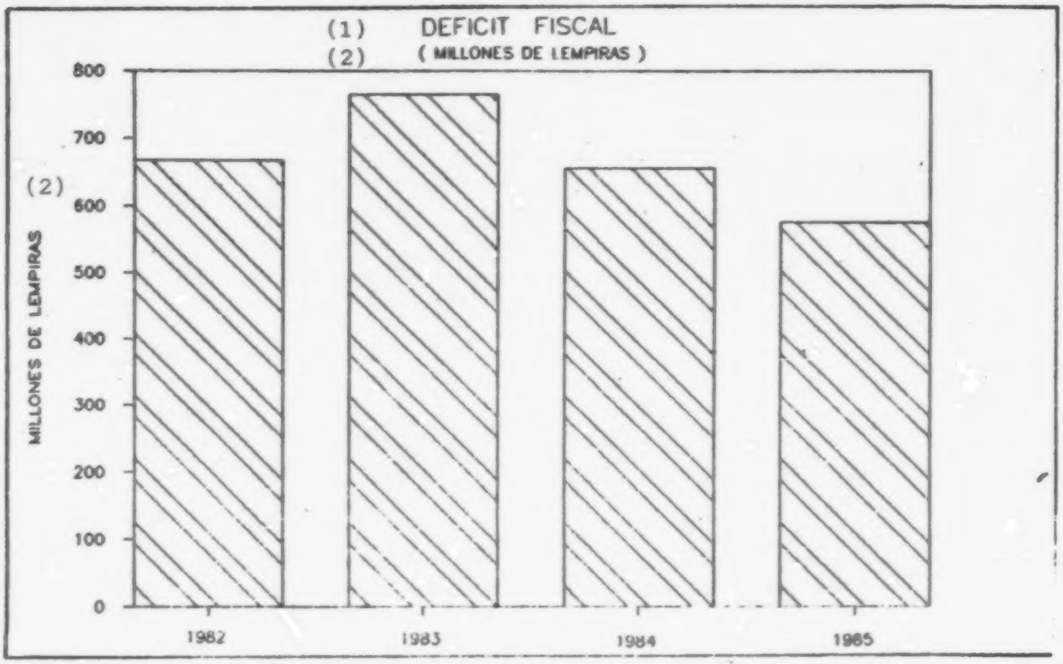
Political Concern

The administration's chief political concern boiled down to how to cut down public expenditures without reducing the bureaucracy or lowering salaries.

In a paper of limited distribution composed at the Central Bank of Honduras in 1983, it was ascertained that the government had run up against a contradiction since public expenditures cannot be reduced without affecting the bureaucracy, which is without a doubt a big political force.

Central Bank experts determined that public expenditures are inflexible with regard to wage cuts and compel the private sector to make greater sacrifices, resulting in a reduction in government income, a rise in expenditures and an imbalance in the balance of payments.

The restrictive policy of Dr Roberto Suazo Cordova's government has momentarily removed the specter of devaluation, but continuing with the same policy, which directly affects importers, will trigger a greater increase in the unemployment rate and leads us to forecast the stagnation of production activities with unpredictable consequences.



Key:
1. Fiscal deficit.
2. Millions of lempiras.

Negative Balance of Payments

Tegucigalpa LA TRIBUNA in Spanish 27 Jan 86 p 88

[Text] At the conclusion of Suazo Cordova's administration the value of Honduran imports continues to be greater than that of exports, thus showing a considerable deficit in the balance of payments.

Despite the fact that a rise in export value has been recorded in the past 3 years, during the same period import value rose by nearly 200 million lempiras.

Official figures indicate that Honduran exports came to 1.471 billion lempiras in 1984, while imports amounted to 1.791 billion lempiras, a deficit of 320 million.

Bananas and coffee were the chief export items, while raw materials, fuels and lubricants constituted the greatest number of imports, followed by consumer goods.

The official figures show the following distribution by export item:

Bananas	440 million
Coffee	337 million
Wood	67 million
Lead and zinc	85 million
Silver	40 million
Meat	49 million
Shrimp and lobster	77 million
Sugar	50 million
Tobacco	21 million
Cotton	15 million
Laundry soap	12 million
Petroleum byproducts	12 million
Other products	246 million

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HONDURAS

BRIEFS

COLPROSUMAH PRESENTS GRIEVANCES TO AZCONA--The new directives of the Professional Association for Improving Teaching in Honduras (COLPROSUMAH) sent to President-elect Jose Azcona Hoyo asked that justice be done and that the arbitrary actions of the past be corrected. The leaders of the so-called "authentic" board of directors of COLPROSUMAH, led by Rosario de Dominguez, met with Azcona yesterday to present to him a picture of the internal situation facing the nation's teachers. Dominguez said that "we told the president-elect of the problems experienced by COLPROSUMAH as a result of the attack on its board and of the repression of which we who defend the real rights of Honduran teachers have been the victims. We asked Mr Azcona for justice and for a correction of the arbitrary acts committed by the retiring president, who was the one who gave support to those attacking education leaders so that they would serve the government sector," she emphasized. Dominguez expressed her satisfaction over the attitude and interest shown by the president-elect over the problem at hand and said that "he can end the problem facing teachers rallying around the real leadership of COLPROSUMAH." [Text] [Tegucigalpa LA TRIBUNA in Spanish 9 Jan 86 p 6] 11,464

CSO: 3248/227

TLAXCALA GOVERNOR FAULTS 'TECHNOCRATIC' POLITICAL APPROACH

Mexico City PROCESO in Spanish No 478, 30 Dec 85 pp 18-21

[Interview with Governor of Tlaxcala Tulio Hernandez by Elias Chavez; date and place not given]

[Text] "Yes, presidentialism, as Secretary of Government Manuel Bartlett says, has deep roots in Mexico, but it is necessary now "to distribute the president's authority and broaden the participation of the states of municipalities," Tlaxcala Governor Julio Hernandez says.

In an interview granted to PROCESO, the governor attacked centralism--"It subsidizes the capital of the republic at the expense of the citizens of Mexico," criticized technocracy and false vanity in government employees, and he demanded that government officials "always speak the truth," expressing regret at the "lack of practical and human sense" in political work.

So deep are roots of presidentialism that Tulio Hernandez dates them back to the colonial era, when for 300 years, authority in the single person of the king determined life in New Spain. These roots are still alive and bearing fruit.

"Even now," the governor said, "I still receive claims from some villages in Chautempan whose representatives, on the basis of documents signed by Charles V, tell me: 'No, government, no, you cannot impose this business of the national park on us, because here we hold the lands the king gave us in 1500 and something." And however much I tell them: "Well, yes, but this is no longer valid, because after that independence was won, and there have been a war, a reform, a revolution and a new constitution," they reply: "No, no, we have our paper here, and the king gave us these lands." It is very difficult to persuade them that this document is now no more than an interesting historical reference."

On the 14th of this month, Tulio Hernandez delivered his fifth government report. The ceremony was attended by Secretary of Government Manuel Bartlett, representing Miguel de la Madrid, who took up the defense of presidentialism as authority in the hands of a single person.

Later, during our interview, Tulio Hernandez commented on Bartlett's thesis.

"Certainly presidentialism does have very deep roots in Mexico," he said. "It was for this reason that Antonio Lopez de Santa Anna, despite all his errors, was president of Mexico 11 times. After independence was won, Santa Anna was the first to truly exercise authority, but in was in very curious fashion. He was the president, but when he saw that there were problems, he asked for leave and departed. The vice president remained to take his place, and then, getting involved again, he took up arms against the acting president. He, Santa Anna, knew that the important thing was not to be president, but to be a likable leader. Then, with Juarez, the presidency took on another aspect. Juarez not only felt himself to be a leader but, more than anything else, the representative of an institution. The same was true of Porfirio Diaz, although he then was reelected even though he had opposed reelection. All of this is sometimes forgotten, and then it is said that the presidentialism at present is excessive. But no. What must be understood is that presidentialism is the expression of a whole social, cultural and political background, more recently, when the revolution triumphed, Alvaro Obregon also developed strong feelings about presidentialism and sought reelection. And the first to understand that this should not occur was Calles, although he did it deceitfully. He said that it was necessary to institutionalize a whole series of things and to promote the founding of the party, so that even though he did not become president again, he could indeed continue to head the revolution and to govern. This is the truth. And so it continued until Cardenas, who decided to be a serious president and to do away with the "highest leader," came along. As of then, institutional change in the government really began in Mexico. No president, when he leaves that office, continues to have power. Concretely today, for example, President Miguel de la Madrid is not dependent on any former president. It is thus that our presidential system has developed."

[Question] Should the development stop there? Is this presidential system optimal?

[Answer] "We are seeing a great deal of criticism," the governor responded. "Many people say that presidentialism is very bad. Well, probably so. But the truth is that this presidential system is a process which has been developing satisfactorily. And this should not lead us to demand an end to the system, no, but rather that the presidential system carry out its functions better, and that many tasks should no longer be assigned to the president. He has no need to do everything nor to direct everything.

When Tulio Hernandez speaks, his words run away with him, and sometimes, so do his actions. For this reason he himself exemplifies the use of power by a single individual.

"Since I was 14 I have lived to be governor. Since that age, my calling and my greatest efforts pointed in that direction--becoming governor of my state. And now that I am, I take great care not to be the one who directs and decides everything in Tlaxcala, although this goes against tradition. For example, it was traditional in Tlaxcala for the governor to hold an open audience every Saturday, which is market day, at which everything was discussed and analyzed, from the problems in a marriage in which the wife complained to the governor about her husband to the problems a municipality was having with another, or with the state government. And obviously, this seemed very nice, but I came to the conclusion that it was neither pleasing nor useful. Then I sponsored a series of constitutional amendments, and a law which gave the governor the authority and the obligation to dismiss municipal officials who were doing negative things was eliminated. Also eliminated was the law which provided that the political problems in a municipality or between municipalities should be resolved by the governor. This was good. Now I do not decide disputes between husbands and wives nor those between municipalities. Let they themselves or the congress resolve them. And on any level, be it municipal, state or national, the authority should be distributed."

This reporter asked if perhaps the most nefarious aspect of the presidential system is the fact that the president of the republic, for and by himself, designates his successor.

"No, no, that is not so," the governor objected. The president is of obvious importance, but he does not decide alone. If this were the case, he would appoint a friend, an intimate. But no. What happens is that he supports someone politically known, a respected personage connected with the internal PRI [Institutional Revolutionary Party] forces.

[Question] If this were true, the selection of the candidate for the presidency of the republic would have some appearance of rationality. And in the last two "revelations," at least, the candidate proved to be the man we least expected. There have been surveys which showed this.

[Answer] There is no reason for this, either. The candidate is the man proposed by the PRI, no more nor less. I would ask you to give me a formula by virtue of which the next candidate of the presidency of the republic should be the product of a consultation of all sectors. What is it?

"There are mechanisms," this reporter attempted to explain, but the governor interrupted.

"There is only one: each party has the right to select its candidate in accordance with its own system. This is what the PRI does and this is what all the other parties do. Do you think that the PAN [National Action Party] selects its candidate on the basis of what the individual who sells newspapers or pulque in my state thinks?"

[Question] The PAN consults its own members.

[Answer] Yes, the PAN consults its own members, and the PRI does the same.

[Question] The PRI or the president?

[Answer] The president is an important factor, but it is the PRI which nominates the candidate. In any case, if the selection made by the PRI were to cause displeasure, everyone could vote against it. What is the problem?

[Question] The problem is that the PRI is not just any party, and when it selects its candidate, in practice it is determining the constitutional election.

[Answer] And what of that? Do you think our people are all idiots? No. Let us abandon this idea. Some say that as the president selects whom he wants, the people and all of those who accept him are idiots to do so. No, no, that is not correct, for no people is made up of idiots. And if they accept the PRI candidate here, it is because there is a whole series of reasons for doing so. What are they?

[Answer] There are many. One is respect for the PRI, belief in it. Another is the knowledge that those who make the decision in determining the party selection are important people. And it is obvious that one of these important people in the PRI is the president of the republic. And this decision is not made on a whim. Probably Miguel de la Madrid was not an important person for some people 8 years ago, because he had just become an undersecretary. But he was nominated, not on a whim, no, but because internally, within the PRI system, a time came in the middle of the last 6-year term when he moved from undersecretary to secretary and to the management of things, and then he was chosen. And the people accepted him not because they are idiots, but because they agreed and they confirmed this at the polls.

The secretary of government had the following to say about Tulio Hernandez on the day the report was delivered.

"The governor has served his party previously in various capacities, and during different periods he has carried out high administrative responsibilities. He has dealt with urban affairs of the greatest complexity and has served in the legislative branch as a federal deputy. He is, then, thanks to his training, a man with a popular calling experienced in dialogue with groups, in dealing directly with peasants, workers and the popular classes. He is a man who deals honestly and equitably with the legitimate interests of the collective. Governor Tulio Hernandez is a governor who has done his work."

The Problem Is Fatalism

It goes without saying, then, that Tulio Hernandez is profoundly knowledgeable about the system, which he defends and describes as follows.

"The success of the Mexican political system has its roots in the following: if we analyze Santa Ana, if we analyze the struggle of Juarez, the efforts of Porfirio Diraz and Alvaro Obregon, the work done by Calles or de Cardenas, we note that in all cases, the most important thing was the people, the citizens, who at certain times have seen that some decisions suited them, and have accepted them. And the PRI is one of these decisions, a very important one, because it is not the party of a political boss. There is no political boss nor any gang of soldiers ruling the country behind the PRI. Those who say the contrary lie. Let us see: who are the individuals, the members of the little group who subjugate our system to a party boss and who have been administering the country for 40 years. And beyond that, tell me how many secretaries of state have been making decisions in Mexico in the last 50 years? No, it does not exist. This is a system which has two basic formulas. One calls for continuity, the continuity of the PRI, historic continuity, and the other requires the timely replacement of the men in government posts. I do not know if this system is perfect, but it is one that works. It is a system which functions in human and social fashion."

About the revolution, Tulio Hernandez says:

"I do indeed believe in the revolution. Once at a PRI gathering, a fellow said to me: 'Listen, why are you applauding so loudly?' Because I believe in the revolution. Don't be stupid. No, if I do believe in it, it is not because I am rich or have a ranch or many homes. I am one among the millions of Mexicans who have benefitted from the revolution. Look. I am 47 years old, the son of very modest parents, two teachers. One was a peasant who, fatherless at the age of 12 had a health problem, and had to have an arm amputated. But he struggled and studied and became a teacher. My mother too was a teacher in a very modest little school. Neither of the two could give me books so that I could study. There was no money to buy them. But I could study, I went to the university, I became a lawyer, a youth leader, a deputy and now I am governor. And all of this without coming from a rich family or having a noble name. But even so, for many in my family, this was bad, because they were "reds." My mother was a member of the communist party, a Marxist, and no one ever gave me the boot because I was half 'pink.' And from the time of my birth to the present, I have seen what has happened to me and to millions of Mexicans. Previously people died in their 40s, today they can live to 70. We have become the fourth largest producer of oil. Our country ranks 12th in the world economy. We have a population of 80 million, and Mexico is one of the main protagonists in this world. And no one has given us anything. While I was still a deputy, my children lacked shoes, were hungry, sick and weak. But in Tlaxcala today, it is very difficult to find a barefoot child. And the shoes were not given to them by the government. No, what is happening throughout the country is that the people have made an effort and the revolution has advanced."

Nor does the crisis diminish the governor's optimism.

"No, the crisis is not the great problem. The serious problem is the fatalism we espouse in presuming that the Mexican people are characterized by ineptitude and stupidity. Unfortunately, this is aggravated whenever any government official or employee gets up and delivers a technocratic and deceitful speech, making the people feel bad. Then the people say, here is a fellow telling us who knows how many things, but they are lies, because the price of bus fare has already gone up, gasoline and rent are now higher, and as for food...the only thing this does is create mistrust, when what we need to promote is realistic and truthful communication. If instead of a technocratic speech an official were to say, 'Listen, comrades, I am the mayor, or the governor, I am what I am and I want to tell you this: yes, realize that the situation is difficult, but I want to ask that we all make an effort, and if things go badly, come to me, tell me, I am a stupid fellow.' And then the people will react positively, and will say: Well, this one is telling us the truth, but also he is taking a risk. He knows that if loses we will judge him harshly, but for the time being his is telling the truth and we will work with him. But no, the man with the technocratic approach, out of vanity, does things backwards and says that everything is so bad because you are irresponsible, and industry is failing because all of you are stupid."

According to the governor, this attitude on the part of "some officials"--he refuses to name names--"reflects a lack of practical and human sense" in "some areas" of political activity. And he returns to his elliptical stockpile.

"Forty years ago one could sit down at the table and begin to eat and say, 'Listen, Papa, I am very upset by something.' 'Shut up, stupid boy, and leave, for only adults can talk here. Out.' And one went. That is how it was. Now when one sits with his children or other young people and says 'Come on, boy, eat this.' 'No, Papa, I don't like it. I won't eat it.' And one can't get along with him. 'Get out.' 'No, I won't, Papa, why should I?' 'If you do as you have for 8 days now, you won't eat here. Now listen to me.' And one cannot get along. I have experienced all this and this is the country in which we are living. Now the people say what they feel. The factory manager, the merchant, everyone says his peace, and the government leader or employee is not supposed to answer. Shut up, you do not have the right to speak. No, the proper thing is, you say this, well now, let me tell you what I think. That is democracy. Democracy does not mean that everyone applauds me, democracy means that everyone speaks and that those of us in office listen to them, not only to mollify them, but so that we can do things which will satisfy the majority. But I insist: it is always necessary to speak the truth."

Prices Low in Federal District

Tulio Hernandez believes that centralism, reflected in the macrocephalic nature of the Federal District, is due in part to the fact that the citizens of the capital are not told the truth.

"In the Federal District there is a policy based on love of our history and the desire for our capital to be a great city, the best. Fine. But it happens that Mexico City is, if not the only one, one of the few urban centers in the world which, being a capital city, enjoys incredible subsidies. Everywhere, life in the capital city costs more than elsewhere in the country. Washington and New York are more expensive than Dallas, Paris more so than Nimes, but here, the federal district has lower prices than Tlaxcala. When the earthquake tragedy occurred in September, we all felt anguish. My wife, for example, was performing in her best play in 15 years, but the theater collapsed and even the costumes were lost. Immediately after the earthquake, wonderful national solidarity developed. But I am also going to say one thing: five years ago, a dam in La Paz, Baja California, collapsed, and 14,000 people, a third of the population, died. And in the rest of the country no one paid any attention. In La Paz the people had to bury their dead and rebuild their houses, and there was no major subsidy or national solidarity with people saying 'We will all give money for the catastrophe victims.' What is happening? Yes, Mexico City is our pride, but there is no fairness in the centralism which favors it. In Mexico City, the subway costs a peso, while in Tlaxcala, a child or a woman traveling 1 kilometer or 2 by bus must pay 25 pesos. In Tlaxcala we produce corn. This year we will provide 200,000 tons for domestic consumption, after consuming all that the collective needs. And what happens? In the federal district, tortillas cost 22 or 24 pesos per kilogram, while the cost in Tlaxcala is 40 or 60 pesos. Are you aware that the subsidy for Route 100 for 1 year was 170 billion pesos, the equivalent of the whole budget of Tlaxcala for 10 years? And like this one, many of the subsidies for the Federal District are allocated without thought for the fact that everything costs more in the rest of the country. This is not just! The vast majority of the people in the Federal District do not think about the rest of the country. Basically, it is as if the resident of the capital were thinking: 'Let the rest of the Mexicans make the best of it, poor idiots.!'"

[Question] Why aren't the other governors protesting?

[Answer] I don't know, but what I do know is that a better balance is needed. Everyone is amazed at the huge population of the Federal District. But why does this happen? Why are there 100,000 people from Tlaxcala living in Nezahualcoyotl? Because there the metro costs 1 peso, because there are subsidies there for tortillas, for water, for everything. Therefore one should not be surprised that the population is so great.

[Question] There is the possibility that municipalities will be reestablished in the Federal District. Would this help to resolve the problem?

[Answer] I go along with the reestablishment of municipalities, but let one thing be clearly understood: the law must be applied equitably, and each municipality, be it Tlaxcala, Michoacan, Guanajuato or the Federal District must collect and spent what it can. People will say that I am a wretched creature and that I want all the prices in the capital to go up. What I want is respect for the millions of Mexicans in the shantytowns and villages of this great country who are contributing their work and making the best of the reality. It is necessary to strengthen the policy on the municipal and state levels so that there will no longer be any pretext for saying that it is centralism and presidentialism which are doing harm to the country. Otherwise, there is a risk. If the main complex of authority and decision-making power remains centralized, from the legal and political points of view, in a single individual, in this case the president of the republic, then there is a pretext for saying that everything is going badly because this gentleman is not giving us more money, providing us with more projects or making us happier."

5157
CSO: 3248/146

CITIZENS POLLED ON ACCEPTABILITY OF FURTHER BUDGET CUTS

Mexico City EXCELSIOR in Spanish 24 Feb 86 p 4-A

["Minsurvey: Petroleum 4," by Adip Sabag. Survey carried out by the Mexican Public Opinion Institute in the Federal District between 13 and 19 February 1986. Five hundred and fifty persons over 18 years of age were selected by quota method (e.g. sex, age) in accordance with data from the latest population census. For related survey, see JPRS LATIN AMERICA REPORT of 23 Jan 86 (JPRS-LAM-86-009), p 97.

[Text] The drop in the price of oil means a budget reduction for Mexico of approximately 5 billion dollars, which will result in the cancellation of public works and development projects. Are you prepared to make further sacrifices?

Yes	17 %
No	82 %
No Answer	1 %

CSO: 3248/274

MEXICO

CITIZENS POLLED ON ENTRY INTO GATT, IMPACT ON NATION

Mexico City EXCELSIOR in Spanish 4, 8, 9 Jan 86

[From "Minisurvey" by Adip Sabag. Survey carried out by Mexican Public Opinion Institute in the Federal District, 16-17 December 1985. Seven hundred and fifty-two persons over 18 years of age were selected by quota method (e.g. sex, age) in accordance with data from the latest population census. For a related survey, see JPRS LATIN AMERICA REPORT of 23 Jan 86 (JPRS-LAM-86-009), p 97]

[Part I: 4 Jan 86 p 4-A]

[Text] Let us assume that a trade treaty is proposed under which Mexico can sell all of its products in the United States, and the United States can sell all of its products in Mexico. In your opinion, who would come out the winner?

Mexico	10 percent
The United States	88 percent
No answer	2 percent
	100 percent

[Part II: 8 Jan 86 p 4-A]

[Text] With which of the two statements below do you agree?

If Mexico joins GATT, the standard of living will rise, there will be full employment, natural resources will be developed, production and trade will expand, and economic development will be promoted..................25 percent

If Mexico joins GATT, there will be greater economic dependency, domestic industry will be displaced by foreign industry, small and medium-sized companies will go bankrupt, unemployment will rise, and countless foreign goods will enter the country...72 percent

No answer...3 percent

100 percent

[Part III: 9 Jan 86 p 4-A]

[Text] The government asserts that between 15 September and 25 November it consulted the people about whether or not Mexico ought to join GATT. Did anyone ask you about this matter?

Yes	8 percent
No	91 percent
No answer	1 percent
	100 percent

8743
CSO: 3248/220

NEW MINIMUM WAGES ANNOUNCED, WAGE GROUPS CUT TO THREE

Mexico City EXCELSIOR in Spanish 28 Dec 85 p 1-A, 15-A

[Excerpt] The National Minimum Wages Commission [CNSM] has announced a 32 percent increase in the legal minimum wages starting on 1 January (in the Federal District, it will amount to 1,650 pesos), and expressed its pledge to remain watchful of the changes in prices, revise the minimum wage "when it is deemed necessary," and prevent its average level from declining from that of 1985.

During yesterday's session, at which the resolution establishing the new minimum wages for 1986 passed unanimously, it was also decided that, starting in 1986, the number of wage zone groups should be reduced to three, instead of the four currently in effect; thereby reclassifying the 14 lowest wage level zones and making their income equal to that of the immediately higher group; in other words, 1,340 pesos, starting next Wednesday.

As for the minimum professional wages, set at 86 by the CNSM, it was decided to make them between 25 and 65 percent higher than the general minimum wages in the rural and urban areas, depending on the degree of qualification in the various special fields for which this wage schedule exists.

Javier Bonilla Garcia, head of the CNSM, claimed: "We intend to maintain a position of solidary backing for the economic reorganization un ertaken by the federal executive branch, and, at the same time, of fostering a recovery of the minimum wage's purchasing power."

The classification in which the three wage groups of the 67 economic zones that will be in effect in the country starting on 1 January will be included is: 1,650 pesos per day (49,500 pesos per month) for a group of eight zones with the highest minimum wages, including the metropolitan area of the Federal District, the states of Baja California and Baja California Sur, and towns such as Acapulco, Ciudad Juarez, Nogales, Matamoros and Coatzacoalcos.

For the second group, comprised of six economic zones, the new minimum wage will be 1,520 pesos per day (45,600 pesos per month). Included in this group are the metropolitan areas of Guadalajara and Monterrey, and towns such as Tampico, Hermosillo, Ciudad Obregon, Ciudad Mante and Poza Rica, among others.

To be included in a third group are 53 economic zones with a minimum wage of 1,340 pesos per day (40,200 pesos per month), in which the following federative states will be covered: Aguascalientes, Campeche, Colima, Morelos, Nayarit, Puebla, Quintana Roo, Sinaloa, Tabasco, Tlaxcala, and Zacatecas; as well as towns such as Saltillo, Torreon, Tapachula, Leon, Chilpancingo, Puerta Vallarta, Nezahualcoyotl, Toluca, Lazaro Cardenas, Morelia, Tehuantepec, Queretaro, San Luis Potosi, Ciudad Victoria, Veracruz, Jalapa, Merida, Durango, Tuxtla Gutierrez, Pachuca and Oaxaca.

2909
CSO: 3248/186

CHIHUAHUA ELECTORAL LAW TALKS COLLAPSE AFTER THREE SESSIONS

Mexico City EXCELSIOR in Spanish 12 Jan 86 pp 1-A, 11-A

[For related articles see JPRS LATIN AMERICAN REPORT of 14 January 1986 (LAM-86-006), pp 89-90.]

[Text] Ciudad Delicias, Chihuahua, 11 January--The dialogue between the authorities and the PAN [National Action Party] officials concerning the amendments to the Chihuahua Political Organizations and Electoral Processes Law was suspended today, since "a hardening of the official position, in addition to its factious stubbornness," according to Guillermo Prieto Lujan, regional leader of the white and blue party.

The negotiating commission made up of the secretary general of government, the attorney general of the state and the budget director, as well as three representatives of the PAN, met only three times. Thus there was no agreement reached on what Prieto Lujan called "basic points, one of which has to do with the penalties imposed on those doing electioneering work three days before the elections."

The complaint was voiced that "our petitions were to no avail," although it was noted that initially everything seemed to be going well, with disagreements, but some agreements reached.

"However, when it came to the basic points such as the penalties against those distributing propaganda for a candidate in the 3 days preceding the elections, things changed. We asked that the earlier penalty be maintained, i.e., a year in jail or loss of political rights for a year.

"We asked that this article be rewritten," Lujan explained, "because we believed that it is badly worded, thus lending itself to abuse. They agreed to rewrite it, but what they proposed was not satisfactory, since the draft left the way open for the committing of the same kind of abuses."

The government categorically refused to expand the number of representatives per booth, such that the negotiation process was blocked and it became plain that this "factious stubbornness" was directed against the opposition parties, and more particularly, against the PAN," Prito Lujan said in conclusion.

5157
CSO: 3248/208

PAN UNDER INVESTIGATION FOR DIVERSION OF MUNICIPAL FUNDS

Mexico City EXCELSIOR in Spanish 12 Jan 86 pp 4-A, 26-A

[From "Political Fronts" column, by Guillermo C. Zetina]

[Excerpts] The authorities are investigating the fact that the National Action candidates will have available to them hundreds of millions of pesos for the campaign in Chihuahua, because not only have local and national business groups made contributions, but large sums have been withheld by the PAN mayors in this state.

For example, public works projects have been postponed in Ciudad Juarez and in the capital of the state, where there are PAN municipal councils, because this money has been allocated to the electoral campaign for the governor and mayors posts. The concern of the PAN is based on the fact that between 1983 and 1985, the National Action lost 7.5 percent of its vote, as compared to a 3 percent loss for the PRI [Institutional Revolutionary Party]. This means that there were 50,000 votes the PAN did not win in the local elections. PRI circles are confident that they will recover the mayors' posts in Ciudad Juarez, Chihuahua and Parral, despite the bitter opposition expected from the PAN. The other municipal councils were lost, according to the PRI leaders, due to neglect rather than the real strength of the National Action.

At the moment, the PAN controls seven municipal councils in Chihuahua--Ciudad Juarez, Chihuahua, Camargo, Casas Grandes, Delicias, Parral and Meoqui. The PPS controls one--Coronado, the PST [Socialist Workers Party] one--Cuauhtemoc, and the PSUM [Unified Socialist Party of Mexico] one--Zaragoza. Also, the PAN controls four federal districts--I (Chihuahua), II (Hidalgo del Parral), V (Camargo), and XIV (Ciudad Juarez).

5157
CSO: 3248/208

MEXICO

POLICE OF PAN-RULED CITIES IN CHIHUAHUA GET SPECIAL TRAINING

Mexico City EXCELSIOR in Spanish 16 Jan 86 States Section p 3

[Article by Manuel Cabrera G.]

[Text] Ciudad Juarez, Chihuahua, 15 Jan--Top security units with training similar to that of the group expert in the handling of weapons and other antiterrorist tactics in the United States held practice in this locality today to establish a series of strategies with a view to preventing the "repression" of the population of Chihuahua, Director of Public Safety Ruben Raymundo Gomez announced.

Mayor Francisco Barrio Terrazas, for his part, stated that problems which have developed in the state, such as the illegal occupation of CONASUPO [National Company for Basic Commodities] stores, the teachers and miners' disputes in the southern part of Chihuahua, as well as the outbreak of rebellion among the students at the Autonomous University of Chihuahua and in this city are evidence of the lack of authority in the state and not of the "harsh hand" of the office holder, Saul Gonzalez Herrera.

Gomez said that the top security units did their training exercise in the municipal government building, and the participants came from the municipalities of Chihuahua, Mioqui, Delicias, Camargo, Cuauhtemoc, Parral and Ciudad Juarez, where representatives of the opposition parties are in government office.

He explained that the goal of the police agents in the seven municipalities in the hands of the opposition will be to cordon off the public buildings and supervise the demonstrations held against the government, preventing situations like those which occurred recently in the capital of the state itself, San Luis Potosi, Monterrey and Nogales, Sonora.

The unit includes a little more than 2500 individuals. and at the meeting of the police chiefs who are PRI militants today, Pedro Valdes and Horacio Escarcega, assigned to the municipality of Madera, were expelled because they were believed to be "spies."

Training in the United States

The commander in chief of these units, Oscar Valles, announced that the expert in the handling of heavy caliber weapons and other antiterrorist tactics took special training courses in Santa Fe, New Mexico, and El Paso, Texas, both in the United States.

Ruben Raymundo Gomez said that the police authorities should coordinate the efforts for the securities system to be utilized during the elections to choose the governor, state congressman and mayors.

Jesus Hernandez, spokesman for the municipal government of this city, harshly criticized the administration of interim governor Saul Gonzalez Herrera, and said that far from seeking electoral peace, this "is totally opposed" to his principles.

The secretary of the municipal council of Ciudad Juarez, Sergio Conde Varela, said for his part that the top security forces have shields, tear gas grenades, long range shotguns and antiriot equipment, and he criticized the army for having disarmed the police in August of 1985.

He admitted that the state government has the right to ask the troops to intervene "if it deems this desirable during the electoral process."

5157
CSO: 3248/208

WIDOW OF CAMARENA'S PILOT STILL WITHOUT PENSION BENEFITS

Mexico City EXCELSIOR in Spanish 22 Jan 86 STATES Section pp 1, 4

[Article by EXCELSIOR correspondent Eduardo Chimely]

[Text] Guadalajara, Jalisco, 21 Jan--Almost a year after pilot Alfredo Zavala Avelar was killed by drug trafficker Rafael Caro Quintero, his widow has still not received the pension to which she is legally entitled, owing to red tape and the "accidental" loss of the corresponding documentation on four occasions.

Mrs Maria Luisa Nunez, 52, said: "I've been fighting it for 11 months now, carrying my papers back and forth, the birth, marriage and death certificates, the autopsy report and my children's birth certificates, and they still haven't given me and my family what we deserve."

Zavala Avelar was killed last 7 February along with Enrique Camarena Salazar, who worked for the Drug Enforcement Agency. In the wake of U.S. pressure, it was learned that the perpetrator and mastermind of the crime was drug trafficker Rafael Caro Quintero, along with Ernesto Fonseca Carrillo and his gang of thugs. The latter were arrested and are currently under indictment in the nation's capital and this city.

Zavala Avelar's widow indicated that the last time she went to the SARH [Secretariat of Agriculture and Water Resources], they told her in the legal department that the documents had gotten lost because of the damage that last September's earthquake had caused to the building in Mexico City; no one in the staff had access to the building, and they therefore asked her for fresh photocopies.

The SARH branch's legal department, which is headed by Carlos Vega Vazquez, reported that "all of the necessary documents were requested through the agent of the Federal Public Ministry, who was initially in charge of the ministerial proceedings. Records of the statements before the district judge were also requested. Everything was sent to Mexico City."

8743
CSO: 3248/220

MEXICO

PROPERTY OF CARO QUINTERO LIEUTENANT GIVEN TO PEASANTS

Mexico City EXCELSIOR in Spanish 24 Dec 85 STATES Section p 2

[Excerpt] Tijuana, Baja California Norte, 23 Dec--Properties owned by drug trafficker Jose Contreras Subias in the municipality of Tecate have been turned over to ejido members of the National Peasant Confederation (CNC), as the Office of the Attorney General of the Republic (PGR) had ordered, by special circuit court judge Jaime Torres Espinosa.

The judge also indicated that the homes that Contreras Subias owned in this city would become the property of the state government, under the regulations established by the PGR concerning the property of drug traffickers.

He underscored that Contreras Subias, who escaped from the municipal public jail last 25 October and on whom there are so far no leads, was the owner of the San Miguel, El Pinon and Providencia farms. The 600-hectare spread, on which marijuana was found growing, was turned over to peasants belonging to the CNC.

Torres Espinosa stated that the agreement signed between the PGR and the Agrarian Reform Secretariat provides that "lands owned by drug traffickers and used to grow narcotics shall be turned over to peasant farmers so that they can grow foodstuffs instead of substances that damage people's health."

He said that Contreras Subias' real estate holdings, two luxury homes, may become state government property. No further details have been provided about them.

8743
CSO: 3248/220

BRIEFS

TAMPICO ALIEN DETENTION FIGURES--Tampico, Tamps., 2 January--In 1985, the Mexican immigration authorities detained over 600 undocumented Central Americans in this port. The deputy chief of the local Interior Secretariat office, Pedro Guerrero, claimed that all those currently detained were attempting to travel through Mexico to the United States, in order to enter there illegally. The official added that the high degree of efficiency in locating the illegals was a result of the establishment of checkpoints at key points in this port. He noted that it is already known that this locality is considered a "corridor" for the passage of Central Americans, primarily Guatemalans, Salvadorans, and Hondurans. [Excerpt] [Mexico City EXCELSIOR in Spanish 3 Jan 85 STATES section pp 1, 2] 2909

CSO: 3248/186

FOOD SHORTAGES, DISTRIBUTION PROBLEMS 'CRITICAL'

Lima Distribution Problems

Lima EL COMERCIO in Spanish 21 Jan 86 p D8

[Text] The shortage of potatoes and chicken remains critical in the city. The housewives are facing an abnormal supply and, therefore, buy from street vendors whose prices are considerably higher.

According to the Ministry of Agriculture, 290 tons of potatoes came in last Saturday. The ministry has estimated that the population needs 760 tons.

It was determined that there is almost no chicken on the market. For example, only 2 of the 20 retail stands had chicken at the official price of 15.50 intis (15,500 soles).

Poultry on display in other stands was goose which is sold at 45 intis (45,000 soles).

As to potatoes, a visit to the markets revealed that potatoes were only sold by street vendors, not at legal stands.

The La Parada wholesale market exemplified the shortage since there were no potatoes at any stand last Saturday and Sunday, holidays for the public. However, street vendors were selling potatoes all along the perimeter of that market, charging up to 100 percent more. (The official price is 2.9 intis and the vendors sell them at 5 and 6 intis.)

Why No Chicken?

Leader Walter Cardenas said that poultry dealers do not have chicken at the official price because profits are not in line with costs and because the supply is rationed in the distribution centers.

He explained that official controls of several government entities have been centralized in the distribution centers. Because of that supervision, distribution is very slow.

He commented: "We have to stand in 'line' for 3 or 4 hours and we only receive a crate of 10 chickens." He said that the difficulty in obtaining that small supply does not justify the investment and the time it takes to buy it.

He also stated that the distributors limit supplies to the retailers because their profit margins have gone down.

The leader added that the profit for retailers has gone down from 40 to 32 percent and, for wholesale distributors, from 13 to 9 percent.

Finally, he suggested that authorities should make a real study of costs so that marketing can be carried out under normal conditions.

Brazil Supplies Buffalo Meat

Lima EL COMERCIO in Spanish 19 Jan 86 p A-16

[Text] Iquitos, 18 Jan--A herd of buffalo which will be used for meat will soon arrive at this river port from Brazil. This announcement was made by the department prefect, Alfredo Marril Cobos.

These buffalo come from a farm near Manaos. They will arrive at a time when red meat has become scarce on the market. As was reported, the problem is due to the fact that shipments of cattle from San Martin Department have been suspended.

It is said that the cattlemen of Tarapoto, Juanjui, and the surrounding area prefer to sell their animals to merchants on the coast who offer up to 15 intis more per kilo of beef on the hoof.

As to buffalo meat, the technicians of the Ministry of Agriculture say that the only difference from beef is a more intense color and more pronounced fiber. The housewives hope that the meat supply will improve soon.

The price of buffalo meat will not change. That is, it will be sold at 25 to 30 intis per kilo.

Restaurants and other establishments have been requested to indicate that it is buffalo meat so that the customer is not surprised.

For example, paiche cebiche is still on menus when everyone knows that paiche is not available because of the permanent ban declared in the jungle rivers to protect that species.

Buffalo

The buffalo is a strong, wild animal that lives under difficult conditions in swampy areas where it does better than on firm ground.

What is very important is that it produces meat and milk while grazing on poor pastureland. It is a docile animal that does not kick and rarely attacks with its horns.

This animal also reproduces well. The birth rate of a herd is more than 85 percent under a good pasturage system.

Milk Production

The buffalo has excellent dairy capacity, producing up to 2,500 liters of milk during a 300-day season with a fat content of more than 7.5 percent. In other words, each female produces an average of 8 liters per day.

As to meat production, a buffalo between 2.5 and 3 years of age weighs 400 to 500 kilos.

Introduction of Buffalo

The National University of the Amazon is working on a program to introduce the buffalo into the Amazon jungle. It began in 1966 by importing 19 females and 2 males from Brazil. In July 1974, 99 females and 7 males were imported. These animals have been distributed for propagation to seven livestock farmers in Loreto Department. According to official sources, this herd is developing under optimum conditions, but cannot yet withstand slaughter.

Argentine, Brazilian Beef Arrives

Lima EL COMERCIO in Spanish 20 Jan 86 p A-6

[Text] Yesterday 40 tons of beef and offal arrived in Lima from Argentina as planned. It will go on sale today in the different supply centers in Lima.

This shipment to help normalize the supply in the capital joins the 40 tons of chicken that arrived the day before yesterday from Sao Paulo under an agreement signed between ENCI [National Enterprise for Industrial Marketing] and the Exporters Union of Frago, Brazil.

It was learned yesterday from sources at the international airport that 100 cargo flights have been planned in the next few days to transport chicken, beef, and mutton from different parts of South America to Lima.

Yesterday, beef sales were almost normal.

Fish Sales

As to the sale of fish, there were no complaints from housewives. The EPSEP [Public Enterprise for Fishing Services] stands and street vendors had saurel, dogfish, mackerel, and other types of fish.

Saurel was sold at 3 intis per kilo and mackerel was priced at between 4 and 5 intis.

The supply of potatoes in Lima remained low yesterday since only 350 tons arrived, far below the amount needed to meet the demand.

Only 20 tons remained on the wholesale market for distribution to markets, stands, and other supply centers in neighboring zones. The rest was immediately distributed by 34 vehicles to markets in Lima and Callao.

7717
CSO: 3348/413

NATIONAL INDUSTRIAL POLICY PLAN DETAILED

Lima EL COMERCIO in Spanish 19 Jan 86 p A-4

[Interview with Minister of Industry, Commerce, Tourism and Integration Manuel Romero Caro;date and place not specified]

[Text] EL COMERCIO: Mr Minister, what are the basic points of the industrial policy you plan to pursue?

Dr Romero: The industrial policy will be aimed, on the one hand, at selectively reactivating industrial production in the short term, and at the same time, at reorienting and restructuring the productive apparatus in the medium term within a new model of industrial development that will take shape over the long term.

A number of industrial production lines will be given priority for stimulus, in a selective manner. Within the context of industrial groups that have also been given priority, higher productivity, efficiency, profitability and competitiveness can be achieved both on the national market and in the international setting.

EL COMERCIO: What are these groups?

Dr Romero: The priority industrial groups are:
a) agroindustry
b) the industries designed to meet the basic needs of the majority of the population
c) the export industry
d) the import substitution industry
e) the development of small-scale industrial and artisan businesses
f) the development of the capital goods and intermediate goods industries that provide direct and indirect support to the agriculture and livestock, fishing, mining, hydrocarbons, energy, and transportation and communications sectors.

Records to Attain

In the process of reactivating the sector, and for the purpose of gradually regaining the levels of production that had prevailed in the late 1970s, short-term actions will focus on the regulation of prices, the utilization of installed capacity, the selective protection of the national industry, the reduction of red tape, the adjustment of legislative provisions to give selective incentives to the principal lines of production in each industrial sector, the search for new international markets for the exportable industrial supply, and the enhancement of the industrial worker's buying power.

Basic Needs of the Economy

EL COMERCIO: What will the industrial restructuring process consist of?

Dr Romero: It will be carried out gradually and selectively, for which purpose the following actions will be promoted:

a) The development of an import substitution program that foments the growing and rational use of the national factors of production and the priority utilization of industrial production for other productive sectors.
b) The development of an Export Industries Promotion Program that will provide incentives for the use of national factors of production.
c) The promotion of both intersectorial and intrasectorial articulation, incorporating appropriate technologies that encourage more use of nationally-produced factors of production.
d) The stimulation of education and training to increase the skill level of the sector's work force and its business management capacity.
e) The promotion of industrial decentralization in accordance with the national regionalization program.
f) The restructuring of the state administrative apparatus in order to modernize and decentralize it and enable it effectively to play its role as the planner, coordinator, regulator, promotor and driving force of the country's new industrial policy.

Andean Group

EL COMERCIO: You are Peru's representative to the Andean Group, the Latin American Economic System (SELA) and the Andean Development Corporation. One has the impression that these agencies represent the "international bureaucracy," which is usually unproductive and costly. Do you share that assessment?

Dr Romero: According to Article 100 of the Political Constitution, "Peru promotes the economic, political, social and cultural integration of the peoples of Latin America. . .," and under Article 7 of the aforementioned Legislative Decree 170, as minister of industry, commerce, tourism and integration, I am the titular representative of Peru at the Andean Group, SELA and the Andean Development Corporation.

I think that the bureaucracy is not just a national problem, but also something that appears at the international level. I would by no means assert that these agencies are bureaucratic, but clearly the countries that finance these entities should take the initiative to make a study on the optimum number of officials who should work in such agencies. We should also determine whether the salaries these officials receive are commensurate with their productivity. I will try to coordinate with the member states, because I believe that these institutions should not only be efficient and dynamic, but also serve the process of integration, not the reverse.

EL COMERCIO: According to Article 223 of the Political Constitution, the ministry has a Consultative Commission. Who is on that commission?

Dr Romero: We are contacting the individuals who best represent the industry, commerce, tourism and integration sectors to form a highly qualified, multifaceted team that will be able to carry out the very important function assigned to that commission by Law No. 23340 as effectively as possible. Soon I will release the names of the members of that commission (no fewer than 6 nor more than 12 members).

EL COMERCIO: How many people work in your ministry?

Dr Romero: The Ministry of Industry, Commerce, Tourism and Integration (MICTI) has 2,664 employees, of whom 2,349 are appointed and 315 hired by contract. This figure includes all MICTI employees at the national level. It does not include the employees of the decentralized enterprises and agencies, which are related to the sector but do not have administrative autonomy. Examples are Cenfotur, the Integrated Tourism Project (COPESCA), Foptur, Fopex, etc.

EL COMERCIO: According to the 1985 budget, how much has the Industry Ministry bureaucracy cost the country?

Dr Romero: In 1985 MICTI spent 77.6 million intis on operational costs. Of that amount, 59.2 percent was spent on salaries, 17.9 percent on the purchase of services, 16.7 percent on subsidies and benefits for employees. In addition, 5.8 percent was spent on the purchase of goods for MICTI operations, and finally, 0.3 percent was spent for the acquisition of capital goods.

Useless Bureaucracy

EL COMERCIO: What is the Industry Ministry doing to "debureaucratize" itself?

Dr Romero: The government has approved the National Debureaucratization Program, which contains 6 basic lines of action:

--Deconcentration and decentralization of decision-making, in terms of personnel and resources.

--Simplification of norms and administrative procedures.

--Institutional reorganization.

--Training and motivation for public employees.

--Participation of social and economic organizations in the enforcement of government policies.

--Support for the development of moralization in public functions and citizen conduct.

MICTI is developing a program aimed at achieving the above-mentioned objectives. We have determined that 145 types of transactions or procedures are carried out at MICTI, and we have selected 35 of them which cover nearly 74 percent of all the files being processed at MICTI. We have concentrated our efforts on streamlining these procedures, whether by introducing the system of affidavits, simplifying procedures, using computerized systems, eliminating requirements, or other means.

EL COMERCIO: You undoubtedly know that the Industry Ministry is cited as an example of "bureaucratization." Sometimes it takes years to set up an industrial enterprise. Do you share that opinion, or do you believe it is unrealistic?

Dr Romero: That is not the current situation, since the simplification of procedures for signing up with the Industrial Registry, which used to take more than 30 days, will enable this procedure to take place in 5 days. I should note, however, that for a business to operate formally, it must take other steps with other entities in the public sector, which could cause some additional delays.

It is appropriate to mention that at MICTI we have organized an office in charge of implementing a pilot plan whereby any citizen who wants to start a business is given the proper guidance and is provided with all the necessary forms. Afterwards, the office takes charge of all the steps required for that business to be formally constituted and placed in a position to begin operations. All of this is free of charge.

Informal Sector

EL COMERCIO: Do you have an approximate idea of the volume, estimated in soles, of informal industrial production in 1985?

Dr Romero: The informal industry, and the informal activities in general that are carried out in the other sectors of production, are the result of the inability of the formally established sector to generate enough jobs. Given the national productive structure, the supply of manpower is excessive. Thus, the formal sector is not absorbing employment at the same pace as the supply of labor is growing, a situation which is aggravated during times of recession. In view of this trend, it is understandable that the informal sector is becoming a means of subsistence for a large number of people, a kind of "escape valve" that temporarily mitigates unemployment and underemployment.

There are no recent or reliable statistics on the magnitude of this phenomenon in industry. It is quite difficult to obtain the exact figures, but some studies that compared the data from the last census with the Industrial Statistics figures estimate that the informal industrial sector generates nearly 22 percent of the country's total industrial value added, and 57 percent of total industrial employment.

EL COMERCIO: It is said that in Peru it is better to have a clandestine or informal industry than a legal one. The advantages are: 1) one does not have to deal with the bureaucracy of the Industry Ministry; 2) one does not pay taxes; 3) one does not have to worry about job security or the Industrial Community, and one avoids the municipal bureaucracy. Do you agree that those obstacles exist?

Dr Romero: Obviously the facts you mention sum up the three reasons which, among other factors, have caused the informal sector to emerge: extremely cumbersome procedures, excessive tax pressure, and aspects related to job security. But just as these elements that you call "advantages" exist, there are other, opposing factors that would be the "disadvantages" in engaging in informal production. For example, not having a credit rating and thus having to pay usurious interest rates to informal lenders; not being able to transfer ownership or use it as collateral; not having legal backing in the transactions one conducts; not being able to grow or specialize; not having any incentive to do so because of the precarious situation.

Becoming Formal

EL COMERCIO: What facilities would you provide to the informal businesses that want to enter the formal economy?

Dr Romero: The solution to the problem of informal business is not as simple as it appears, nor can it be obtained through a mere decree. A number of solutions that approach the problem comprehensively must be devised, because we have sociological aspects (rural-urban migration), economic aspects (excess supply of labor, type of technology chosen), and tax aspects (high fiscal pressure). Moreover, matters related to the police repression of activities such as smuggling, counterfeiting products, and the like must also be taken into consideration.

With regard to the facilities that may be provided in my sector to solve the problem of informal business, we can cite the Multisectoral Pilot Project for the establishment of small industrial businesses. This program helps with all the procedures required to establish a business legally in just a month. All the steps are taken by MICTI employees at the appropriate agencies. In this way, we prevent the businessman from wasting time unnecessarily, and we also prevent the payment of money (bribes) to speed up the processing of papers in one office or another.

Taxes

EL COMERCIO: Do the modifications in the tax system provide incentives for industry, tourism and integration? Was your ministry consulted about them?

Dr Romero: It is very difficult to predict the results that the latest modifications in the tax system will have on industry, commerce, tourism and integration. Some changes will undoubtedly favor business activity and others mean the elimination of certain incentives. But I think the benefits will outweigh the adverse factors. Thus, we estimate that moral persons domiciled in the country will have to pay about 12 percent less in income taxes. The small and medium businessmen whose income does not exceed 75 UIT (630,000 intis) benefit most, paying approximately 33 percent less than under the previous tax structure.

Agroindustry will be stimulated significantly, because the income it generates will be exempt from the income tax. The businesses involved in the canning of hydrobiological products for direct human consumption are similarly affected.

The border and jungle regions will continue to be exempt from this tax, which means that border trade will not undergo any changes, except that those subject to Law 15600 will now pay 50 percent of the income tax.

We will try, however, to coordinate our actions with our neighboring countries in order to combat border smuggling, which acts as a disincentive to industry in these regions.

Although the benefit of a lower income tax for the capitalization of all or part of profits is annulled, as are reinvestment incentives, in the latter case the businesses that had been taking advantage of these privileges will be able to continue doing so in accordance with the terms and conditions set forth in the agreements.

In addition, we must not forget that businesses have the option of financing their activities with the incentives provided under the financial lease system, which in some cases are greater than the incentives eliminated by the tax reorganization law.

Agroindustry and the businesses involved in canning hydrobiological products for direct human consumption will also be exempt from the tax on business assets.

The repeal of the tax on payment for personal services will also provide tax relief for businesses and will lower their costs.

Furthermore, the repeal of the tax on the domestic sale and importation of carbonated waters and beverages and liquors and alcoholic beverages; the tax on the sale of iron and steel products under the Peruvian State Iron and Steel Enterprise (SIDERPERU); the stamp tax on nationally-produced and imported beauty products, perfumes and cosmetics; and the tax on the sale of vehicles to the public, will all serve to encourage not only the marketing of these goods but also domestic production.

Thus, I am certain that the tax changes that have been made not only will alleviate the tax pressure on businesses, but will also encourage the national food industry in particular, a sector on which the government has placed special emphasis. In addition, the recent tax changes affect only areas related to direct taxation. Indirect taxation has yet to be dealt with.

It should be noted that these tax changes are aimed at the reactivation of production, which is the key objective for 1986. These and other promotional measures which we are studying will contribute to the consolidation of national industry.

Foreign Debt

EL COMERCIO: Was the government correct in devoting only 10 percent of its gross export earnings to pay the foreign debt?

Dr Romero: The experience of recent years indicated to us as we took office that Peru was unable to withstand a rising foreign debt service without making tremendous domestic sacrifices. Either we continued paying our debt and demanding more and more sacrifices of our people, or we paid in accordance with our possibilities and devoted more of those resources to internal investments to create the conditions for the reactivation of production and for paying that debt later on. Naturally, we need foreign resources, and in this regard we thought we should pay something to our creditors, as I have just stated, in keeping with our possibilities. That was why it was decided that to meet our recovery objectives, 10 percent was an appropriate level, and that was what was done. To be sure, in absolute terms this figure may be larger; everything depends on the recovery of the prices fetched by our principal exports. It also depends on the developed countries (our principal customers) refraining from putting up barriers against our exports, particularly the non-traditional ones. Meanwhile, we will try to promote domestic savings so that we can obtain the financial resources we need for investment.

Available Money

EL COMERCIO: You have mentioned a very important sum of money that is available in the banking system and is going unused. Could you please specify the figures and the categories, and the way these funds can be utilized?

Dr Romero: Looking at the weekly note published by the Central Reserve Bank gives one an idea of the total liquidity of the financial system. As of 30 November 1985, it was about 38.8 billion intis, while on the same date, the total net credit extended to the public and private sectors by the same financial system was just 27.8 billion intis. In other words, on that date there was a significant gap of 11 billion intis, or 11 trillion soles, that was sitting idle. These funds were the result of the reserve requirement, but also of excess reserves and time deposits in the Central Reserve Bank that had been made by the financial institutions.

Moreover, it can also be noted that while the liquidity of the system in real terms has remained at about 1.3 billion intis (except in 1983, when it declined), real credit has had a tendency to fall, particularly in the second half of 1985.

Obviously, that idle balance must be used and oriented toward supporting productive activities in order to achieve the economic recovery.

Uncertainty

EL COMERCIO: Peruvian industry must be competitive with foreign industry. Do you believe that the labor community and job security are facilitating or impeding that competitiveness? My question refers to the economic and commercial effect, not the constitutional or legal aspect of these innovations.

Dr Romero: It is clear that any category of outlays that affects the profitability of a product ultimately affects its competitiveness on the international markets because of the higher costs. Fortunately, however, the final competitiveness of a product does not depend solely on the two factors mentioned by you. Other factors also enter into play, such as the quality of the product, productivity, scales of production, knowledge of the market, and the incentives provided by the state to promote exports. The latter include the special labor system established under the Non-Traditional Export Promotion Act (Decree-Law 22342) and the recently created CERTEM or tax rebate that is given to businesses for opening up new jobs. In other words, I am citing these examples to demonstrate that just as there are elements that may be considered adverse, there are also favorable factors that are oriented toward enhancing competitiveness.

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CSO: 3348/410

BRAZILIAN DIESELS, AIRPORT SAFETY DISCUSSED

Lima EL COMERCIO in Spanish 18 Jan 86 p A-4

[Interview with Jose Murgia Zannier, minister of transportation and communications, 17 January]

[Text] The importation of Brazilian diesel engines for Lima buses is a matter to be taken up in the Ministry of Industry because it would affect the national industry that we must protect, Minister of Transportation and Communications Jose Murgia Zannier said in an interview with this daily yesterday, during which he spoke of problems in his department.

[Question] What can you tell us about the announcement that Lima is reportedly studying the possibility of importing diesel engines from Brazil for buses in the capital?

[Answer] One thing is very clear: We have an Industry Law that deals specifically with products that can be imported. Whoever wishes to go abroad for such purposes must have a certificate of noncompetition. We do logically manufacture diesel engines in Peru.

[Question] Would importing engines from Brazil affect the national industry?

[Answer] Naturally. We are trying to help national industry. This is a matter to be taken up by the Ministry of Industry, based on legal and regulatory provisions.

Safety at Airports

[Question] Let us move on to another matter. What can you tell us about safety at the airports, especially Jorge Chavez Airport, about which you gave a report recently before the permanent congressional committee?

[Answer] We reported in great detail before the standing committee and also revealed measures taken by my department from July to December concerning a number of aspects related to the operation of CORPAC [Corporation for Airports and Commercial Aviation] from the economic, financial and operational standpoints.

[Question] What has been done from the operational standpoint?

[Answer] A number of actions have been taken, such as the installation of a communications system with the help of a loan from the World Bank.

[Question] Will that system of communications be national in scope?

[Answer] It is a process that we hope will provide a controlled air space in Peru by the end of the year, with over 60 percent of the territory covered. We now have 25-percent cover.

11,464
CSO: 3348/412

BRIEFS

PISCOBAMBA FISHING COMPLEX--Huancavelica, 17 Jan--A fishing complex for the production of salmonidae will be set up in Piscobamba, in Angaraes Province, with an investment of 220,000 intis. The complex will be run by the peasant community in the area. An agreement has been signed between the Huancavelica Departmental Development Corporation and the municipality of Angaraes so that the community may provide 4,000 square meters of land where a 90-pond fish hatchery will be set up. According to plans already drawn up, 60,000 kilos of salmonidae will be produced by the end of this year. The agreement stipulates that Corde-Huancavelica will finance the project with an investment of 220,000 intis, while the council will provide the machinery needed for construction of the tanks. The waters of the Acobamba River will be used for the production of fry and trout. [Text] [Lima EL COMERCIO in Spanish 18 Jan 86 p A14] 11,464

PETROPERU ON GAS PIPELINE--The likely existence of large deposits of gas and condensates (gasoline in suspension) on Lot 36, assigned to Occidental Petroleum Corporation, would make construction of a gas pipeline between Madre de Dios and the port of Pisco necessary. The pipeline would cost some $2 billion and be built by Occidental, Carlos Lizier Gardella, manager of PETROPERU [State Petroleum Agency] reported yesterday. Concerning the parcel 36, Lizier said that it had never been requested by anyone and that PETROPERU was interested in claiming it. However, the initial technical studies did not reveal signs of the existence of oil, but rather, of gas and condensates. Shell has completed exploratory work on parcels nearby with an investment of $150 million. It has found gas deposits. If that company finds larger gas reserves, it could not built a pipeline by itself to get the product out. However, Lizier said, with what Occidental may find on Lot 36 -- considered to be a geological extension of the same vein worked by Shell -- then construction would be justified. The official also reported that PETROPERU has for the first time taken measures aimed at reserving exclusive areas for itself where not only oil should exist, but also gas with condensates. [Text] [Lima EL COMERCIO in Spanish 21 Jan 86 p A3] 11,464

PREFERENCE TO LOCAL FIRMS--PETROPERU and its affiliates will give preference to national firms providing oil-related services. It will also extend that preference to goods produced in the country and, with respect to consulting firms, to specialized Peruvian enterprises, according to Legislative Order 366, published in EL PERUANO yesterday. PETROPERU or its subsidiaries will give reference to the services of national companies provided such services are offered under similar terms of timeliness, price and quality as those proposed by joint ventures or foreign firms. If there are no bids from national companies for services, PETROPERU will preferably use those of joint Peruvian and foreign ventures. Regarding the purchase of goods and equipment, priority must also be granted to those produced in the country, as long as they compete with foreign entities in terms of quality, price and timeliness. In addition, in cases in which PETROPERU requires the contracting of consulting, engineering, advice or administration, preference will be given to specialized national firms if they can provide such services with the same price, quality and timeliness as those offered by joint or foreign enterprises. The legislative order also empowers PETROPERU and its subsidiary, PETROPERU Services, Inc., to sign partnership contracts with third parties aimed at the completion of studies, works and services related to petroleum activity, as well as oil contracts concerning the provisions of Decree Law 22774. It authorizes PETROPERU, its subsidiaries, national and joint venture partners and any national or joint firms entering into contracts with PETROPERU to receive tax exemptions on any equipment directly related to oil service activities for the purposes of those contracts, provided such equipment is not produced in the country. [Text] [Lima EL COMERCIO in Spanish 19 Jan 86 p A-6] 11,464

LOCALLY-MADE COMPUTER SOFTWARE--A Peruvian firm, Digicomp, has developed a software package for computerized office management and placed it on the local market. The name of the system is Amadeus. When in Operation, the program is a "concert" of many "instruments," which, when finely tuned, provide Peruvian offices with help in management in the Peruvian style, maning in the "cholo" or native style. Amadeus has word processing, musical counterpoint for electronic mailing between offices (It may also be connected with public systems, which we wish we had) and electronic filing. These applications are supported by Amadeus' local area systems, which make it possible to connect different machines located in different offices. The software package is designed to operate based on the traditional mode of business administration in Peru, which is different from that of the United States, according to Ricardo Maggi, the engineer who designed Amadeus. The latter takes into consideration the structure of the office as it is, with its furniture, cabinets, desks, agendas, papers, office of executive secretary and "sociable" manager. Amadeus is designed so that all offices will have a terminal or personal computer, which will be connected in a system: managers, secretaries, executives and professional personnel. Its purpose is help in decision-making and consequently, given Amadeus' open architecture, can have management programs such as Lotus and Dbase, in addition to programs for specific applications of the organization -- applicational software -- in languages such as basic. All programs are linked by a "menu," which is part of Amadeus. [Excerpts] [Lima EL COMERCIO in Spanish 19 Jan 86 p E-12] 11,464

HOUSING SHORTAGE ASSISTANCE--Barely 15 percent of the population in the country have their own houses. For this reason, the government plans to carry out a program of "lots with services." This year the program will provide 105,000 lots, according to Minister of Housing Luis Bedoya Velez yesterday when he was at the airport to see some relatives off. He repeated that the government is determined to relearn the old techniques of building houses with adobe and cinchona. He said that each lot will be handed over with services so that the owner can take his documents to the Banco de Materiales to finance construction. Bedoya Velez also pointed out that the system of "lots with services" has curtailed land invasions. He revealed that plans for Lima include the delivery of 18,000 lots with services, like in Ventanilla. Minister Bedoya said that the government's idea is to have 100,000 lots with services available each year. He recalled that the housing shortage is bad since the previous government limited itself to constructing expensive houses, ignoring the large popular masses. He praised the return of the barter system for housing construction since, due to inflation, many builders were doing business in dollars. [Text] [Lima EL COMERCIO in Spanish 20 Jan 86 p A-5]
7717

CSO: 3348/413

SURINAME

DRAFT CONSTITUTION SEEN AS OVERTAKEN BY 25 NOV ACCORD

Amsterdam DE VOLKSKRANT in Dutch 8 Jan 86 p 4

[Article by Henk Thomas]

[Text] Amsterdam/Paramaribo--Everything points to the fact that Suriname's draft Constitution, which was completed on 12 December, and which was discussed in the National Assembly at the end of December, is destined to have a premature end. Spokesmen for the "old" political parties believe that when the draft Constitution was presented for debate in the Assembly, it had already been overtaken by the 25 November "Paramaribo Accord" when Commander Bourterse reached a reconciliation with the "old" political leaders Arron, Lachmon, and Soemita.

Of the draft Constitution which was strongly criticized in the National Assembly at the end of last month, parts have been published by the Surinamese media. Recently, a single copy of the draft has been circulating in the Netherlands.

The first Article on General Principles reads: "The struggle between foreign owners of our most important means of production, and an unpropertied nation that creates the wealth, until now has been the driving force on our historical development. Up until 1980 this struggle took place under the total political and cultural domination of a foreign power, the Netherlands. Following the coup of 1980, an important change has come about in the political power balance between these two forces, and consequently in the nature and the methods used in this struggle. This means that in this phase, despite the reduced level of the continued economic dominance of imperialism, the pre-1980 Constitution is no longer satisfactory."

In order to put an end to "the economic dominance of imperialism," a plea is made for the nationalization of the most important means of production in the Article on economic goals. Foreign trade and foreign currency exchange must be placed under state supervision.

Political Rights

In the Article on Constitutional Rights, reference is made to international treaties pertaining to human rights. But again, those given special emphasis are: the freedom to organize politically "in the context of the political democracy guaranteed by the Constitution," the freedom to form trade-unions, and the right to strike "limited by the restrictions which apply to this right." Grouped in another Article are "the right to freedom of expression and freedom of the press." Added to that is: "To make this right meaningful, the press, radio, and television and other organs of the media to a great extent must be state-owned and not dependent on foreign funding."

The draft Constitution was criticized during the debate in the National Assembly particularly by representatives of industry and trade-unions, and to a lesser degree by the representatives of the 25 February Movement of which Bourterse is chairman. In general, representatives of the trade-unions and industry rallied around Constitutional committee members Loembang Tobing and Ramdihal, who had reservations about three points in the document.

The two members expressly disagree with terms like exploitation, imperialism, foreign dominance, forced behavior. They want the listing of human rights to be in conformity with international treaties, and they point to ambiguous formulations regarding state influence and the nationalization of the means of production on the one hand, and to private enterprise (which according to the draft must be promoted) on the other hand. Mrs. Loebang Tobing and Ramdihal are pleading for a definite choice. They especially want private enterprise to be given a definite and fundamental place in the Constitution.

Laconic

Members of the Assembly contacted by phone say they don't know what is going to happen with the draft Constitution. They don't even know if, and--if so--how, the draft Constitution will be amended to satisfy the criticism that has been expressed. They point out that the Assembly does not officially have the right to amend proposals.

The highest echelons of the "old political parties" reacted laconically to the draft Constitution which was drawn up without their participation. Several spokesmen call what they have seen of the draft vague and ambiguous (the old parties will not officially receive the document until the middle of this month). Furthermore, they have no good word to say about the procedures used for drafting a new Constitution.

They point out that in Suriname's highest political organ, the so-called Supreme Council, the parties and groupings deliberate separately about Suriname's new Constitution. On the one hand Commander Bouterse, Prime Minister Udenhout, the chairman of the National Assembly and the top-ranking members of trade-unions and industry deliberate over "lasting democratic structures." At the same time, but separately, Bouterse and leaders of the old political parties, Arron (Suriname National Party--NPS), Lachmon (United Hindustani Party--VHP), and Soemita (Indonesian Peasants Party--KTPI) in the Supreme Council negotiate about the return of "a genuine democracy." Bouterse and the political leaders, formerly removed by him, agreed to that on 25 November during the tenth anniversary celebration of independence.

According to the spokesmen from the NPS and the VHP, the proposed draft Constitution has been overtaken by the 25 November Accord. "The road from Paramaribo to Zanderij airport is paved with draft proposals for a Constitution. We are not getting excited about it, especially since the draft that is now being discussed says nothing about the form of government, or the division of power among the various organs. And that is what it is all about," says a spokesman, who is involved in the deliberations in the Supreme Council on behalf of the old parties.

The old politicians who, in the middle of this month will begin negotiations about a "genuine democracy" are sticking to their demand, according to spokesmen, that Suriname must go back to parliamentary democracy as it was before the coup, in which the military would be limited to a supervisory role. There is some optimism. A member of the NPS Party who is involved in the negotiations with Bouterse says: "I don't have the impression that the military will create a problem when they are reduced from a dominant position to a supervisory role. But, I cannot be sure of this."

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CSO: 3214/35

NEED TO REORIENT MAS POLITICAL STRATEGY UNDERLINED

Caracas EL DIARIO DE CARACAS in Spanish 20 Jan 86 p 14

[Commentary by Gilberto Alcala: "The Anniversary of MAS"]

[Text] The Movement Toward Socialism (MAS) has reached its 15th birthday bearing the heavy burden of not having overcome its internal crisis and of still not having taken a convincing ideological stand. It has thus been unable to chart and pursue an opposition policy to attract followers (or votes) that would make it a major force in national politics and a contender for office.

A political party is founded for that purpose alone. A party is run with that accomplishment in mind.

In the face of an administration that has made mistake after mistake in its economic policies, which have had grave repercussions for the poorer classes, and in the face of a COPEI [Social Christian Party] that is bearing the burden of administrations stigmatized by inertia and corruption, MAS seems shackled, without plans, without a platform for its struggle. Never before has a party that has aroused so much political interest and expectation been presented with such an opportunity to set a course between those two groups.

MAS knows that COPEI will not be able to unfurl social and political banners until it takes responsibility for the previous administration. The country knows, however, that MAS has not fought for grievances because it has not put its ideological and internal differences behind it. To the despair of analysts, MAS leaders seemingly fail to understand that a vast segment of the country is still waiting for leadership, for a movement that can make our democracy stronger and more respectable.

MAS ought to know that it would be easy for its leaders to banish the elites that are holding the MAS movement back because they are isolating it from its own followers; likewise, we know that it is hard for COPEI to evade its moral responsibility for not having punished in a timely fashion the people who made use of public monies. MAS should use this edge to push for social and political grievances. MAS has proposals with currency. MAS should realize that it can outpace COPEI if it stops looking within itself and opens up to the country in a bid to represent it amid this crisis. Although it does not suffer from the complex of having governed poorly, MAS has gotten bogged down in ideological, dogmatic debates amid its sluggish day-to-day efforts.

The leaders of MAS founded the party as a fresh alternative for enhancing our democracy, and this has been the essence of the struggle of those who feel that they are represented by Pompeyo Marquez, Teodoro Petkoff and Fredy Munoz. Today the party surely has new battle plans; programs for congressional action, for the labor movement; ideas for new economic policies to eliminate social inequalities and guarantee citizens an education and assistance. The country has no other party as young as MAS that has discussed more earnestly the problems of the Venezuelan people; and they have all been serious, analytically responsible, philosophical discussions of political substance.

During these discussions, confined to the party's highest national assembly for appointing authorities, voices were raised in protest over rising unemployment, personal insecurity, the lack of health care aid, against corruption and, above all, calling for the country's economic and political sovereignty. And these stands were publicized in the statements of party leaders.

The obligatory next step would seem to be to move from words to actions. There is good reason to do so. All that has to be done is to take to the streets and explain why the administration's economic policy is a disaster; why a rescheduling whose terms are still unknown is prejudicial to the country; why a hike in the price of gasoline to cover our own higher wages and salaries is ruinous. The order of the day is to leave behind the lengthy discussions or exercises in political science and take up, in the factories, in the streets, in Congress, in primary and secondary schools, in universities and in the fields, the defense of Venezuelans who are seeing their chances for well-being wane every day.

To this end, MAS must put its house in order, so that it can overcome its internal crisis, define its ideology and fight to improve our democracy.

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CSO: 3348/429

MILITARY MANEUVERS ON CAIMANES BEACH

Caracas EL DIARIO DE CARACAS in Spanish 31 Jan 86 p 7

[Text] Off the coast of the Araya peninsula, the 15th version of "Operation Caiman" took place, attended by the commander of the Navy, Vice Adm Justo Pastor Fernandez, who announced the arrival of 38 amphibious vehicles and four aircraft for reconnaissance of the Venezuelan coasts.

On Caimanes Beach, facing the Caribbean Sea, Army, Navy and Air Force firing forces battled the enemy troops which withdrew to the outskirts of Cariaco, fleeing from the marines who had landed at dawn, reliably escorted by three missile-carrying frigates and transported on the ships "Capana," "Esequibo," "Los Llanos" and "Guajira."

Atop the hill, the Navy commander, Justo Pastor Fernandez, without missing any details of the operation, declared that the "war games" test the efficiency of the equipment and evaluate the degree of training among his men, even proving that "in peacetime the soldier must know how to face combat," with all its risks, on the rough grazing terrain as a theater, without a backdrop to make what was the 15th version of the "Caiman" maneuvers more realistic.

Yet without awakening the town of Caimancito and its 300 families, where the Marshal Antonio Jose de Sucre Combat Tactical Unit had carried out civic activity for its residents, one perceived the roar of the F-16's, Canberras, Mirages, and Broncos, which would be engaged in "softening the enemy coast," paving the way for the launching of 160 Army paratroopers who hit the target and established positions until it was time for the amphibious attack, to observe about 3,000 marines on the scene.

While the frigates "Salom," "Sucre," and "Urdaneta" were firing at a distance of over 15 kilometers, four waves of amphibious vehicles with landing force (LCVP) were launched into the sea and, a few moments later, would take the beachhead and force the enemy troops to retreat. An hour and a half later, the "number one target" was under control. The infantry advanced, while new combatants arrived at the coast, mingling with the brave line of graphic reporters.

"Operation Caiman," like the Salamandra, Quigua, Libertador, Baba, and Piranha maneuvers, serves to train Venezuelan troops in warfare, while at the same time allowing the FAN [National Armed Forces] high commands to correct shortcomings that would prove fatal in a conflict situation. On this occasion, the Navy commander was accompanied by the naval operations commander, Diofante Torrealba Chaparro; the inspector general, Victor Nunez Rodriguez; the chief of staff, Victor Mendez Rea; the naval personnel commander, Alejandro Lander Landaeta; and the naval logistics commander, Victor Romero Escobar.

While one after another wave of marine vehicles approached the coast, the announcements continued cropping up: "Very soon, the other 26 'Urutu' vehicles that we recently purchased from Brazil will arrive; we received the first 12 during the first half of January. We are also awaiting the four reconnaissance aircraft that the Navy purchased, which are due to be in the country at the beginning of February, to be immediately incorporated into the search and patrol operations at sea."

When approximately 3 hours and 40 minutes had elapsed since the beginning of the landing, the carriers approached the beach to leave ashore, later setting up a ramp for,all the infantry ordnance, including supplies and vehicles for the rapid displacement of troops which supposedly had already consolidated a radio 100 kilometers around the area, where the Venezuelan Navy commanders established the proving ground for this operation, which lasted for a period of 7 days.

Meanwhile, Fernandez Marquez told the reporters invited to the maneuvers that "other countries, except for the United States, do not hold these exercises, and in Venezuela a high degree of training is being achieved for the marines in each one of these tests." He did not miss the opportunity to announce that, during March, "Operation Caiman" would be repeated, once the details of this imaginary war in the territory of the Araya peninsula had been corrected.

2909
CSO: 3348.427

VISITING SI LEADER ON OPEC, OTHER ISSUES

Caracas EL DIARIO DE CARACAS in Spanish 2 Feb 86 p 21

[Text] Yesterday, at his residence, former President Carlos Andres Perez held a breakfast for the German leader of the Socialist International, Hans-Juergen Wischnewski, which was attended by the president of the republic, Jaime Lusinchi, the minister of internal relations of the Secretariat of the Presidency, the minister of foreign affairs, and several Democratic Action [AD] leaders.

After the breakfast, Wischnewski spoke to the media and, among his comments, he expressed the view that, "Those who think that the right time has come to strike a blow at OPEC are deceiving themselves because, in my opinion, the destruction of OPEC would mean chaos at the present time."

As was later explained by former President Perez, the German Social Democratic leader is in Caracas to hold talks with the Democratic Action heads before starting a trip to Central America and Washington. Members of the Socialist International will meet in Caracas in order to take off for Costa Rica at 0800 hours next Tuesday morning. Beforehand, they will exchange views concerning those negotiations. Carlos Andres Perez will head that group.

The purpose of this trip is to talk with the leaders in the Central American countries for the purpose of giving an impetus to the Contadora process. The foreign ministers in the group have planned a meeting in Washington on 10 February. According to Wischnewski, at the breakfast they discussed the economic situation and oil prices.

With regard to Contadora, he said that there was no reasonable alternative to its process. "There is no doubt that it has embarked on a critical situation, but the abandonment of the process would bring chaos. It is a matter of wielding an influence on those countries, particularly in Central America, which hold positions that are overly critical of Contadora."

As for the cut in crude prices by Venezuela and Mexico, Wischnewski noted that Venezuela, as a member of OPEC, would consult with that organization. After pointing out that the destruction of OPEC would be detrimental, he remarked that he, as a representative of an industrialized country, must always bear in mind the two sides of the coin: on the one hand, the price of oil and, on the other, the export opportunities of an industrialized country; opportunities which depend largely on the price of oil.
2909
CSO: 3348/427

NEED TO REVISE SAN JOSE ACCORD UNDERLINED

Caracas EL DIARIO DE CARACAS in Spanish 27 Jan 86 p 16

[Text] The San Jose Accord for providing oil should be revised and should not be signed again between Venezuela and Mexico without a prior discussion of its contents and of what both countries will be pursuing in their foreign policy toward the countries receiving the aid; also taking into consideration the donors' internal economic situation. This proposal is made by economist Maruja Tarre de Lara, in a research work entitled: "Evolution of Foreign Aid In Venezuelan Diplomacy: the Case of the Oil Supply to Central America," which won her second prize in a competition organized by the Inter-American Development Bank upon the occasion of its 25th anniversary.

In addition to having been acknowledged on the continental level, Maruja Tarre's report has gained significance in view of the current status of the world oil market, which has prompted Presidents Jaime Lusinchi and Miguel de la Madrid to decide to meet at the Cancun seaside resort this Thursday, 30 January. When the Mexican minister of energy and mines, Francisco Labastida, here last Saturday at Miraflores, was asked whether the San Jose Accord might be modified as a result of this presidential meeting, he thought a long time before answering, and his response was that it would be necessary "to wait until the two chief executives meet."

Oil and Diplomacy

Tarre de Lara remarks in the introduction to her research work that Venezuela began its policy of international energy cooperation recently. When it was initiated, it was based clearly on the country's major foreign policy objectives, such as the Third World movement, Venezuela's international leadership, and the creation of a new international economic order. The first energy cooperation plan was signed during Carlos Andres Perez' presidency, and was known as the Puerto Ordaz Pact, dated December 1974. "It is no coincidence that Venezuela's action as a new participant in the realm of international economic cooperation began at that time. It was directly related to the new worldwide role assumed by the oil exporting nations, most particularly the members of OPEC." Moreover, she notes, the fact that the international financial cooperation plans assumed considerable importance in Carlos Andres Perez' foreign policy was due to the new objectives of Venezuelan diplomacy: the use of oil as a tool in international policy, and Venezuela's promotion as a leading Third World country.

The economist notes that, during Luis Herrera Campins' government, the international environment prompted Venezuela to have a policy of greater intervention in Central American affairs. "Venezuela was not seeking to change the world, but rather to modify established policies in Central America. That was the institutional context wherein the Puerto Ordaz Accord concluded and the San Jose Pact began."

The San Jose Accord

Maruja Tarre stresses that Venezuela signed the San Jose agreement, concerned over the region's political deterioration, citing the need for directing the foreign policy toward the defense or promotion of democracy and the curbing of totalitarianism. The pact was signed in August 1980 for a period of 1 year, with the possibility of being renewed annually. Nevertheless, it has been extended year after year without any public discussion concerning it. The renewals in 1981-82 were almost automatic. In 1983, since the economic situation of Mexico and Venezuela had changed, certain adjustments had to be made before the agreement for an oil supply was renewed. In 1984, the renewal was announced, adding a new condition: oil would not be sent to those countries which were contributing to the war in the region. "This clearly political clause appears impossible to fulfill, unless Venezuela and Mexico intend to redirect the supply and really decide to penalize certain countries; but that decision has not yet been made." In 1985, the accord was extended without any reference to that change; and, this year, it was renewed without presidential or ministerial meetings.

The economist considers it surprising that the present government, which has changed most of the previous regime's policies, has kept the San Jose Pact unchanged. "One possible explanation is that the government of Venezuela, and perhaps that of Mexico as well, is confounded by the events in Central America. By providing for the oil consumption in the countries of the area, Mexico and Venezuela have control of a strategic political weapon. Up until now, the San Jose Pact, despite its obviously political nature, has not been used as the tool with enormous political pressure that it could be. Unquestionably, discretion has prevailed in both countries in view of the fear of finding themselves even more implicated in Central American internal politics."

Urgent Revision

Maruja Tarre de Lara thinks that the San Jose Accord should be revised, based on the feasibility of redirecting Venezuela's international economic cooperation. At the present time, there is no overall political evaluation of the oil assistance, bearing in mind the goals of Venezuela's foreign policy. She also points out that there is no assessment of the effects of the oil supply on the Central American economies, and that there is dissatisfaction among PDVSA [Venezuelan Petroleum, Inc] officials over this assessment. Nor is there punctuality in the payments made by the beneficiary countries, which are constantly requesting more credit. The latter have also indicated (despite the secrecy kept in this regard by the diplomatic representatives here) that Venezuela has delayed in depositing 20 percent of the financing called for in the respective central banks. Moreover, it is feared that the financing received has been used to solve short-term problems in the balance of payments, instead of development projects.

In her opinion, owing to the very dynamics of the Central American situation, the energy cooperation program will become a program of pressure and remuneration directed toward client or friendly countries. If Venezuela wants to dissociate itself from the "interventionism" in the region, it will have to turn the San Jose agreement into a program of cooperation, and not aid.

She emphasized: "The program should not be completely unilateral as it has been to date, with the decisions made in Mexico City and Caracas, later reporting them to the Central American beneficiaries; and it must take into consideration what type of influence Venezuela might have in making progress toward a negotiated peace in Central America."

2909
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FIRST STAGE OF URIBANTE-CAPARO TO BE COMPLETED IN 1987

Caracas EL DIARIO DE CARACAS in Spanish 18 Jan 86 p 5

[Article by Francisco Olivares]

[Text] The first stage of the Andes Uribante-Caparo hydroelectric system will be totally completed during the first quarter of 1987, according to estimates by CADAFE [Electrical Administration and Development Corporation] technicians. The first stage of the project consists of a 139-meter high dam that will form a 20-square kilometer reservoir and an 8.1-kilometer long diversion tunnel that will carry the waters of the Uribante River to the San Agaton power plant, where two 150-megawatt turbines will be installed.

On an invitation from CADAFE President Gaston Uzcategui, EL DIARIO DE CARACAS toured the Andean region where the basins of the Uribante, Caparo, Doradas and Camburito rivers are the construction sites of the four dams, three reservoirs and three electric power plants that make up the hydroelectric system being put together in the western region of the country. According to estimates, the three-stage project will be completed by 1992-1993 at a cost of 17.11 billion bolivars.

The three hydroelectric power plants together have an operating capacity of 2,045 megawatts, which will be earmarked for the western region. They will also be hooked up to the national electric power grid.

Project I

The first stage of the system is located along the Uribante River, where the 139-meter high La Honda Dam has been built; it will create a 20-square kilometer reservoir that can hold 775 million cubic meters of water.

Emerging from this reservoir is a tunnel that descends in steps over a stretch of 8 kilometers, carrying the waters of the Uribante River to the San Agaton hydroelectric plant. Owing to the uneven terrain in the basins, the river waters can pass through turbines up to three times. The first stage of the hydroelectric plant will put out 300,000 kilowatts by harnessing a 350-meter drop.

The first-stage La Honda Dam is currently 100 percent complete; the diversion tunnel is 80 percent finished, and at the power plant the construction work and the installation of the turbines are 35 percent completed.

The first stage will be completed by the first quarter of 1987, according to project director Rafael Angelico.

Third Project

This project is located along the Camburito and Caparo rivers.

It includes the construction of two earth-fill dams, Borde Seco (125 meters high) and La Vueltosa on the Caparo River (also 125 meters high). The two will create a 117-square kilometer reservoir with a storage capacity of 5.6 million cubic meters.

The Camburito-Caparo project calls for the construction of the La Vueltosa electric power plant at the foot of the dam; it will have an output capacity of 520 megawatts during the first stage and 780 during the final stage. The project will be completed in 1992 or early 1993 at a cost of 5.31 billion bolivars.

Second Project

The second project is located on the Doradas River, and work will resume this year. A 115-meter high dam is being built here to form a 30-square kilometer reservoir that can hold 1.18 million cubic meters of water. Also under construction are a 2.9-kilometer long diversion tunnel and a power plant, La Colorada, where two 230-megawatt turbines are being installed during its first stage.

The second stage calls for the installation of two additional turbines with a total capacity of 920 megawatts that will take advantage of a 353-meter drop. The Doradas-Camburito project will cost a total of 5.54 billion bolivars and is scheduled for completion in 1992-1993.

Together, the three power plants will have an operating capacity of 1.32 million kilowatts. The energy will serve a population of 5.7 million in the states of Zulia, Trujillo, Tachira, Merida, Barinas, Portuguesa and Falcon.

The project will provide jobs for 6,000 people and indirectly for another 2,100; some 33,000 persons are dependent on the project.

Once the three reservoirs have formed, some 40,000 hectares of land that are at present constantly flooded during the rainy season will be reclaimed. Thanks to the reservoirs, they will be usable year round for the potential irrigation of some 80,000 hectares.

8743
CSO: 3348/429

VENEZUELA

BRIEFS

NURGAS PIPELINE NETWORK--CORPOVEN, a subsidiary of PDVSA [Venezuelan Petroleum, Inc], is investing 6 billion bolivars in the new gas pipeline network (Nurgas), which is the company's most important project at present. According to a Venpres report, project manager Jose Gregorio Paez emphasized that MENEVEN, another PDVSA subsidiary, would invest 5 billion bolivars to develop the Copa Macoya and Placer gas deposits in Guarico State and to drill wells in the Anaco field (Anzoategui) to supply CORPOVEN with gas for distribution through Nurgas. Paez said that the new gas pipeline system would be 802 kilometers long, starting at Anaco and ending in Rio Seco (Falcon), where it will hook up with the existing Rio Seco-Ule (Zulia) gas pipeline. The report notes that Nurgas will supply 150,000 cubic feet of gas a day to the gas injection projects at the Maracaibo Lake deposits to boost the recovery of crude oil there. Gas injection will enable 223 million barrels of oil to be recovered from the lake. Paez said that Nurgas would meet the household and industrial demand for gas in the western and central regions of the country, the demand at refineries in the western area, and the demand at the Maracaibo injection projects. He added that 40,000 barrels a day of petroleum liquids would now be available for export; they are currently being consumed by the Tacoa and Caracas Electricity thermoelectric power plants and the Electrical Administration and Development Corporation's Centro plant. Paez indicated that the studies on the network route and on the environmental impact of Nurgas have already been conducted. Of the funds budgeted for the project, 572 million bolivars have so far been spent on 30 separate contracts with domestic companies. [Text] [Caracas EL DIARIO DE CARACAS in Spanish 26 Jan 86 p 25] 8743

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END

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INTER-AMERICAN AFFAIRS

BRIEFS

CARICOM IN BELIZE--An official announcement from Belmopan this week states that Belize will be the host country for a meeting of CARICOM Foreign Ministers in May. During the month of January Belize has welcomed a delegation from the CARICOM Secretariate and the High Commissioner of Antigua and Bermuda, Mr. O. E. Henry. The CARICOM officials spent almost a week in Belize discussing new shipping and marketing arrangements between Belize and other CARICOM countries. Mr. Michael Ashcroft, Trade and Investment Advisor to the Belize High Commissioner in London, also visited Belize last week for three days and held discussions with a number of government ministers including the Deputy Prime Minister, Mr. Curl Thompson. [Text] [Belize City THE REPORTER in English 2 Feb 86 p 1] /9274

CSO: 3298/347

ACLM'S HECTOR DISCUSSES COLLAPSE OF OPPOSITION UNITED FRONT

St Johns OUTLET in English 14 Feb 86 pp 6-7

[Tim Hector column "Fan the Flames"]

[Text]

Recently NDP political leader Ivor Heath posed this question to himself: Why did the attempt at opposition unity before the 1984 General Elections fail? He settled for some generalization about "lack of purpose".

Certainly on the most elementary examination the attempt at unity for the 1984 General Elections between PLM, UPM and ACLM did not fail on what candidates would represent the United Front. That was settled.

Certainly too, there was no argument about programme and policy. That may seem surprising, but it is the gospel truth. ACLM for one, made it abundantly clear, that it would settle for a programme which provided honest government based on a Code of Conduct, long out-lined in its anti-corruption code. Besides that ACLM would have insisted on Educational Reform, putting a new emphasis on science, commerce and technology in the system. ACLM would also have required the establishment of poly-technics specifically designed to equip unemployed youth and women with development skills. After that re-organisation of agriculture to create the modern farmer, equipped with irrigation, on a viable economic unit of land with planned domestic and export marketing. These keypoints in ACLM's programme in ACLM's view would have provided a programmatic basis for unity.

There being no argument about candidates to represent the United Front, and there being no argument about programme and policy what then led to the breakdown?

The question is important, all important, because it tells us a lot about the nature and character of politics in Antigua. And if so, it speaks volumes about the nature and character of our society.

First of all the empirical facts. The leadership of all three parties ACLM, UPM and PLM had met, beginning a year before the 1984 election, in formal and informal meetings. This process went on, on and off, searching for some formula on which unity could be reached. The process went one step forward and then two steps backward.

Ultimately when the Holy Week Elections of 1984 seemed imminent, a group of citizens, mainly young, saw the leadership of all three parties and a meeting was convened on Sunday April 1, 1984.

After prolonged discussion between what was described as the 'Big Three' - Hall, Hector and Walter (the names have been put alphabetically to avoid any contention). a formula for unity in a United Front was arrived at which was announced to the larger meeting of party representatives, and concerned citizens. Candidates settled, formula arrived at, this was to be followed by a Public meeting of the United Front in the same week. A mood of expectancy reigned.

Then the same night after the United Front was agreed upon, PLM leader, Robert Hall called both George Walter and Tim Hector to say that the PLM was not proceeding any further with the United Front! And there would be no further meetings! The matter was closed. His word was final. The PLM would not re-open regotiations. Period.

ACLM, it would be recalled, had publicly taken a principled position, that if there was not Opposition unity it would not contest the election. For some unknown reason, or rather for some reason best known to himself, Ivor Heath made no reference to that principled position taken by ACLM in his review. He probably did not wish to give credit where justly due. But we need not bother pursuing such a course of speculation. Publicly they and such as they will always seek not to give ACLM the credit due to it, for fear of their Master. They will **always** so behave.

What is of central concern, is the question why did the PLM agree in the afternoon to a United Front and then disagree, not in part, but totally to the United Front.

Only two reasons suggest themselves. The first is that the political relations between Walter and Hall, which resulted in the splitting of PLM into UPM , and part of UPM becoming NDP were so acrimonious that no unity could be arrived at. To be sure, though, there was absolutely no disagreement between Walter and Hall on policy and programme. Absolutely none. In other words, neither had any disagreement, one with the other, which concerned the vital interests of the people they represented, or hope to represent. In plainer terms, whatever disagreement there was between them, was **not** on the high plane of idea or the material interests of the workers, farmers, women and youth who wanted a **change.** Their personal ambitions had obviously collided. The rare question to be sure, was an explosive force beneath the surface.

The second reason for the collapse of the United Front is the manipulation of external powers, to wit the United States.

Opposition parties, **ACLM firmly and definitely excepted** have always been pre-occupied with the idea of making themselves, their views, their associations their political strategies acceptable to the United States. That is their first priority. As far back as 1979, when the PLM was still united, however tenuously, it proposed to send a delegation to Barbados to see then U.S. Ambassador Sally Shelton, to find out if a PLM-ACLM unity would have been acceptable to the U.S.! The notion is contemptible. The practice abominable. It suggests that such politicians are not even nationalist, far less patriotic. **External power, determine their internal relations.** The class from which they come, and the class interests they **really** represent will always impel in that manner.

That single fact, concisely stated, is the bane of politics in Antigua. The traditional parties, ALP, PLM, UPM, NDP are ever and forever toadying to the United States in search of their imprimatur or stamp of approval. This in effect, means that the interests of the masses, **from the very beginning,** are subordinated to the **interest of an external power.**

In the case of the traditional opposition the practice is even more despicable, and lacking in any kind of sense. In the case of Bird, it makes some sense in the narrowest meaning of the word, in that U.S. support for his regime's corruption ensures his continuance in power. Among opposition parties seeking U.S. support not only makes no sense, it flies in the face of both sense and observable history.

The U.S. **always** supports the most corrupt, reactionary, backward, repressive and predatory regimes **to the very end.** It did so with the Shah of Iran, it did so with the brutal dictator Somoza in Nicaragua, it is doing so, even now, with the 29 year old despicable dictatorship of Duvalier in Haiti even though under seige from the historically great Haitian masses. Even if Marcos in the Phillipines murders opposition leaders, and publicly slaughters a benign opposition leader Benigno Aquino, returning to the Phillipines from self-exile in the U.S., the U.S. continues to support the unspeakable brutalities of Marcos - regardless. Opposition parties here who believe that the U.S. will ever let down Bird and take them up instead, are living in a fool's paradise of their own making.

It is not that the U.S. is inherently evil or deliberately malicious. It is that its "economic interests" or what the U.S. itself describes as its "vital interests" - its investment, its hegemony over trade and markets - **Compels** the United States to support the most backward, the most brutal, the most reprehensible regimes on earth as "strategic allies". Botha in South Africa, the most reprehensible of all is, inclusive in the U.S. category "stragetic ally."

I repeat, it is not evil in the U.S. itself, it is the evil of empire, which compels the United States, upon pain and glaring hypocrisy, to support the most corrupt, the most backward, the most brutal, the cruellest dictators in Asia (Marcos and Diem) in Africa (Mobutu or Bokassa) in Latin America (Pinochet or Somozá) in the Caribbean (Trujillo or Duvalier) in Europe Franco or Salazar). The universality of this phenomenon does not make it accidental, or incidental, it makes it inherent in the nature and character of "U.S. vital interests", otherwise known as U.S. imperialism.

Among the politics, in the traditional parties, all of them, from captain to cook, there is an utterly ridiculous notion that somehow and someway by bending at the knee, hands clasped, kneeling or bowing and scratching the ground before the U.S. they can shift the U.S. from supporting Bird, and make the U.S. tilt in their favour. The idea is so absurd that it is comic in the extreme. The important fact to note that in spite of the obvious absurdity of the practice of trying to woo the U.S. away from Bird the leaderships of PLM, UPM, and NDP still persist in that ignorance. It is indicative that the class from which they come are so steeped in dependence on a great power, **that they will support a policy of self-reliance by word of mouth, only to sabotage it when in power.**

Concrete evidence shows that the U.S. supported the Shah of Iran to the very end in spite of or because of his unspeakable brutalities. The U.S. held on to Somoza to the very end. It did the same to Duvalier, who is being toppled now as I write. It is desperately seeking a continuation of Duvalierism without Duvalier.

The importance of the defunct (PLM) the half-defunct UPM and the just born (NDP) to the U.S. is that in the event that Bird becomes totally unacceptable to the people, as in Haiti, they could continue Birdism without Bird, through one or all of these opposition forces combined. Hence the U.S. courts them by various stratagems and makes them essentially not an opposition force against the Bird regime, but an Opposition force **against ACLM.** It is ACLM's National Economy which the U.S. really opposes and it uses its political house-slaves to carry out the policy. Soon enough, PLM, UPM, NDP will join the ALP in vicious anti-communist diatribes and tirades against ACLM. Just you wait and see.

The point is, the U.S. cannot and will not want a National Economy in Antigua. Hence its efforts to supplant ACLM, as the main opposition force, by dangling the carrot of support before the other opposition forces - PLM, UPM, and NDP. True to their class character they are jumping and leaping at the bait.

The U.S. will not support a national economy, which calls for reducing the food import bill, now some 40 million dollars annually, and instead organising modern scientific farming, through farmers equipped with irrigation, with the best agronomic advice available, and with planned marketing.

The U.S. will not support a national economy, which will re-organise tourism to provide the basis for capital accumulation, and through these local savings establish local industries, locally owned, and controlled. Hence it will seek to promote the anti-communist bogey against ACLM.

The U.S. will not support any programme, aimed at training and equipping the mass of unemployed youth with skills, since the reserve army of unemployed youth, ensures that wages will remain low and U.S. investment can therefore reap larger profits, from cheap labour **all of which profits,** will be repatriated to the U.S. to the benefit of the U.S. and to the eternal detriment of Antigua and Barbuda.

Hence the U.S. will seek and is seeking, with the willing compliance of so-called opposition leaders, to construct some opposition force which will supplant ACLM. Thus, in the event the Bird dynasty collapsed like the Duvalier dynasty there will be Birdism without Bird. Take note and watch the manoeuvres they have begun already.

Above all, the U.S. wishes to use compliant, unpatriotic opposition forces, who have no regard for the sovereignty of the people and their country, to prevent ACLM creating a national economy. The point is, once a serious political organisation, socialist in conception, but developing **not** a socialist economy (that is utterly impossible at our stage of development for the productive forces) but a national economy, the idea will spread like wild-fire up and down the length and breadth of the entire Caribbean. In that event chronic Caribbean dependence on the U.S. will be ended and a Caribbean Nation will be born. To prevent that profound and historic eventuality, the U.S. has began a stop ACLM campaign in Antigua, and through the so-called Caribbean Democratic Union the U.S. is trying to keep the Caribbean in the fragmented economic mess which is our lot.

The U.S. effort to ensure Duvalierism without Duvalier will fail, so too will its efforts to prevent individual island--states from establishing national economies, led by socialist parties, which is the only means which can create a **Caribbean Nation** as a **Zone of Peace.** For certain U.S. militarism and its militarising of the Caribbean makes it eternally opposed to the Caribbean as a Zone of peace in Caribbean Unity. ACLM the U.S. has identified as the major proponent of this policy, hence the U.S. is using other so-called 'opposition' parties in its stop ACLM drive. Watch and be wise.

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CSO: 3298/348

ANTIGUA AND BARBUDA

ACLM ORGAN SLAMS U.S. ACTIONS IN CARIBBEAN

St Johns OUTLET in English 14 Feb 86 p 8

[Editorial: "It Is the Worst of Times, It Is the Best of Times"]

[Text]

There are strange things going on in this our Caribbean.

In one single, tiny, Caribbean island, three powerful men in the world, from a single super power, have made visits virtually in tandem in the last two years.

U.S. Secretary of State George Schultz was there. When he was there, Schultz categorised the Caribbean island as "a lovely piece of real estate". Straight and to the point. All these Caribbean island-states, are mere pieces of real estate for U.S. capital. That's all. We do no exist for Ourselves, we exist for them, not as people. But as Thing. As Real Estate to be purchased as a commodity. As political real estate to be pulled like a puppet by them.

Then came to Grenada following Schultz; Vice President Bush. He was there to establish, irony of ironies, Grenada's Independence Day. Independence, American style. Put philosophically, it is self-determination applied externally. That is to say, someone other than you determines what you do and what you don't do. They determine what is good for you, what friends you should have and should not have; who you buy from whom and to whom you sell; where you seek help and where you do it; what party or parties you should support or align with; with whom you should lie in bed and with whom you should not ally.

And now there has come to the same Grenada, the man himself, Reagan, for a contemptuous 4 hours. His imperial majesty will not sleep in the claustrophobia of the little piece of real estate. In Grenada the two things that Reagan will do tell us a lot. Reagan will unveil a memorial to American dead in the illegal invasion of Grenada, which invasion was denounced and condemned by the nations of the world, 108 - 8. The Caribbean exists to honour American dead. That message is clear. Our own dead remain dishonoured, unburied, unhallowed. The same President you will recall honoured Nazi dead on his last visit to Germany. Reagan will in Grenada dishonour the Caribbean with this memorial to the American invaders of Caribbean sovereignty.

The next thing that Reagan will do is to open the terminal at the airport. It is the ultimate insult to Caribbean dignity. The people of Grenada and Cuba had laboured to fulfill a long held Grenadian dream, - A modern airport.

The building of this airport under the leadership of the esteemed **Maurice Bishop,** by Grenada and Cuba, is the most outstanding example of an all - Caribbean effort, to help itself. The Grenadian airport is the best example of what the Caribbean can do, if it unites to help itself.

Reagan trampled on that. U.S. invaders murdered virtually unarmed Cuban airport workers in Grenada. Maurice Bishop himself was murdered by those who march to the beat of empty formalism and the U.S. seized the time, by illegal invasion to murder Caribbean sovereignty. Even Caricom has been put into a permanent coma in the wake of the invasion. It was rent asunder, and replaced by bilateral relations with theU.S. To mark that total and degrading Caribbean dependence, Reagan will open the Terminal building in Grenada, to emphasise the terminal illness being injected into the Caribbean. To formalise this lick-spittle dependence, Reagan once again, called on the misleaders of the Caribbean to be present at the formal enthronement of U.S. domination over the economic, political and economic life of this our region. And they all, having been summoned by His Imperial Majesty, will rush there hoping the Master will promise them some crumbs.

Grenada it would seem, is the place where the U.S. has chosen to stage its media (x-rated) extravaganzas starring Secretary of State Schultz, Vice President Bush, and President Reagan himself.

At the same time, from Antigua and the military Death Squad they have established here the U.S. intends to drown the legitimate aspirations of the Caribbean people, for Caribbean unity in popular power, as a Zone of Peace,in a sea of blood.

But in history the will and struggle of peoples for freedom is unkillable and unconquerable. Thereafter at this very moment in time when U.S. dominance in the Region seems most omnipotent, it is at this very moment that the people have engaged in a momentous and heroic struggle to end the 29 year U.S. supported dictatorship of Duvalier whose unspeakable brutalities against the people, whose $500 million plunder of the treasury have been seen by the U.S. as defense of "democracy" against "communism". It is the crudest violation of both common sense and truth.

The glorious struggle of the mass of Haitians people at this time, reminds us that Haiti was not only the first territory to abolish slavery by revolution in human history, it was the first independent nation in the Caribbean, and the first Black nation to establish its independence anywhere in the world, joining unconquered and uncolonised Ethiopia.

Haiti might well again mark a new beginning for the entire Caribbean. It can mean a new Caribbean freed from the American big stick and illegal invasions. It might mean the end of Caribbean poverty as "a backyard" where U.S.-capital exploit it as a "nice piece of real estate". The Haitian upsurge might very well mean, a new Caribbean Nation, united in its own interests, and creating the world's first Regional State, laying to rest the non-viable island and coastal nation states tailor made by and for imperialist domination.

Cuba became Cuban and not American on January 1, 27 years ago. About 25 years ago Cuba became the first and only territory in the region to resist and defeat U.S. invasion of the Caribbean and Latin America, when it flattened U.S. backed military invasion at the aptly name Bay of Pigs.

Haiti today might mean the resurgence of the real Caribbean, a free Caribbean, the birth of a Caribbean nation in popular power. This period in Caribbean history is, at one and the same time, the worst of Caribbean times, and yet, it is the best of Caribbean times.

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CSO: 3298/348

ESQUIVEL DISCUSSES JOB SITUATION, SEES IMPROVEMENT

Belize City THE BEACON in English 1 Feb 86 pp 1, 12

[Text]

Reporting to a special sitting of the House of Representatives on Friday last week, Prime Minister Manuel Esquivel said that 300 new jobs were created since the turn of the New Year, and predicted that the goal of 1,000 new jobs for the year is well within reach.

Main contributors to the dramatic turn-around of the job situation are the Williamson Industries garment factory who hired 150 additional seamstresses, despite rumours dating back to pre-general elections that this company was actually phasing out; and the Mosquito Coast film people, who are expected to hire another 150 persons.

While employment by the film company will be for only a limited period, work on the Belize International Airport will take this slack. It is expected to begin just about the time the Mosquito Coast people will be leaving.

There are a number of other industries about to commence operations, including the Belize Export and Investment promotion unit (BEIPO). They have passed the initial stage, and is now ready to start on the ground operations. All this is expected to continue to cut dramatically into the unemployment situation.

The P.M.'s announcement of improvement in the job situation, came at the same time that government was initiating new fiscal measures. But he indicated that these measures had to be taken, and that the current situation was far from "rosy." He said, however that expectations for the remainder of 1986 looked good, and added that a dramatic turn-around was being anticipated.

Mr. Esquivel described the increase in certain taxes as modest (See Commentary on Page 1), and reaffirmed that it was still his government's belief that the way of new money for expanded social and infrastructural services, was through an increase in economic-private sector activity.

He called the fiscal measures an extraordinary one, dictated by an absolute need to balance the revenue and expenditure picture in time for the start of the new fiscal year on April 1.

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PAPER CITED FOR CHARGE OF CORRUPTION IN CIVIL SERVICE

Belize City THE REPORTER in English 2 Feb 86 p 4

[Text] An article appearing in the January 1986 issue of Vanguard, the PSU's official publication, criticizes the UDP government for being soft on senior civil servants who use their jobs and influence to make money for themselves.

The article, which like all the articles in the Vanguard, is unsigned, charges that it is a "disgrace" that the new government has pardoned, and stopped legal action which had been initiated against some senior public officers.

"It is to the disgrace of government," the Vanguard writer charges, "that they have retained so many of the appointees of the former government.

"While the government has prosecuted with assiduity some minor functionaries of the service for alleged dishonesty", the article says, "they have pardoned and stopped legal action initiated against some of the bigger fish."

The article provides no hint of who these senior officers might be or what is the nature of their offences, but it does go on to say that some of the big fish "have been allowed to depart quietly with benefits in tact or by resignation and many others have been covered over and allowed to retain their positions despite clear evidence of their complicity in dishonest acts."

The article goes on to charge that "incompetence is almost a virtue in the highest levels of public officer management."

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BELIZE

PAPER PREDICTS INEVITABLE WAR WITH GUATEMALA

Belize City AMANDALA in English 7 Feb 86 p 2

[Editorial]

[Text] There will come a time when Belizeans will have to fight the Goliath called Guatemala.

It is not a prospect pleasant to behold, for our neighbours to the west are so much more multitudinous and military than we are.

But there are fights sometimes which force themselves upon you, and which you have to fight.

When that fight takes place, the result will decide whether Belize finally becomes a real nation or disappears into the maw of the butchers next door.

There will come a day when the population of Belize will stabilize in the sense that those who have wanted to depart, will have departed, and those who have wanted to enter, will have entered. Belize will have a large and racially mixed population of people who will have made a final decision that Belize is their home, come hell or high water.

And then Belize will become tired of the bullying and insults from the murderous, racist, South Africa of Central America.

The latest insult, the Guatemalan CONCACAF Secretary's public statement that Belize cannot compete as a national selection in CONCACAF and FIFA tournaments (see page 3 clipping from EL TIEMPO of Tegucigalpa) may seem to be only one more in a long line of hectoring and embarrassments created regionally for us by a nation which refuses to recognize our sovereignty.

But Belize has been independent since 1981 and our honour is something about which we must be concerned.

Belize has never been in a position to even talk back to Guatemala. We are completely intimidated. We are defended by foreigners.

But, every bully gat 'e ketcher. It may not be in my lifetime, or in yours, but there will come a time when Belizeans will draw a line and declare we will not be pushed beyond this.

There will come a time.

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BELIZE

BRIEFS

MARIJUANA CHARGES--During the House debate on Friday last, Minister of Natural Resources Dean Lindo made reference to the marijuana activities of certain members of the former government. Mr. Lindo called no names, but immediately Opposition Leader Marin jumped up to loudly protest that he had never been involved in drugs. Hog we bawl [From the anonymous column "Gone Abroad"] [Text] [Belize City THE BEACON in English 1 Feb 86 p 3] /9274

PACT WITH HONDURAS--Belmopan, Fri. Jan 24--Belize and Honduras have signed an educational and cultural agreement. The purpose of the agreement is to extend and develop the levels of understanding and co-operation among the two nations through the exchange of information on the progress achieved in each country in the fields of culture, education, science and technology. The Minister of Foreign Affairs Mr. Dean Barrow signed on behalf of the Government of Belize, and Charge d' Affaires of the Embassy of Honduras in Belize Lic. Marco Antonio Caballero signed on behalf of the Government of Honduras. [Text] [Belize City AMANDALA in English 31 Jan 86 p 9] /9274

WARNING TO PUP--A. G. Huberg Elrington has sounded a timely warning to the PUP's, who are known to be planning a campaign of violence. "Take care," said the A. G., "that in your rush to destabilize the government, you don't destabilize yourselves. We are watching and waiting. Do not confuse restraint with weakness, for the moment you go too far we shall come down upon you with the full fury of the law." [From the anonymous column "Gone Abroad"] [Text] [Belize City THE BEACOM in English 1 Feb 86 p 3] /9274

UK VISITOR--Concluding a three day working visit to Belize this week was Trade and Investment Advisor to the Belize High Commission in London Mr. Michael Ashcroft. Mr. Ashcroft held discussions with various ministers and government officials including Deputy Prime Minister and Minister of Home Affairs Mr. Curl Thompson, Local Government Minister Mr. Philip Goldson, Education and Tourism Minister Mr. Derek Aikman, Commerce and Industry Minister Mr. Eduardo Juan, Financial Secretary Sir Edney Cain and Budget Director Mr. Joseph Waight. [Text] [Belize City THE BEACON in English 1 Feb 86 pp 3, 10] /9274

CSO: 3298/350

JANUARY INFLATION JEOPARDIZES GOVERNMENT ECONOMIC POLICY

Sao Paulo VEJA in Portuguese 5 Feb 86 pp 72-78

[Text] President Jose Sarney is faced with an economic policy, of which he is now in charge, which is leading toward catastrophe. He replaced one minister of finance, Francisco Dornelles, who promised to lower inflation at the cost of recession, with another, Dilson Funaro, who came in with a promise to make economic growth possible through a reduction in prices and interest rates. Five months after the ministerial substitution, the economy, which in fact had already been growing since 1984, with former minister Delfim Netto, continued to advance, but neither interest rates nor inflation gave any sign of declining. Interest rates continue to be sky-high, as always. And inflation--well, inflation, no longer camouflaged in any way, is an economic cataclysm threatening to destroy our national currency, to disrupt the productive life of the country and to place the stability of the government at risk.

Now the index rose in January to 16.2 percent--a figure which is only matched nowadays on this planet by the bankrupt Bolivian and Nicaraguan economies, but has never before been seen in all of the history of Brazil. This figure is so high that one can now calculate the weekly or daily inflation rate. In January, for example, it was almost 0.5 percent per day--in other words, not a single 24-hour period passed during the whole of the month in which the money in the pocket of the Brazilian consumer did not lose value. Few illustrations could dramatize as this does the virulently destructive nature of the effect inflation has had during this government.

It was a perplexed Sarney who received the news of the January index last Monday morning from Funaro and Minister of Planning Joao Sayad. "But you gentlemen said that inflation would be lower than this," the president responded, according to an advisor at the Planalto Palace, during the meeting in which Chief of the Civilian Household of the Presidency Jose Hugo Castelo Branco; General Rubens Bayma Denys, chief of the Military Household of the Presidency; and General Ivan de Souza Mendes, head of the SNI [National Intelligence Service], also participated. Sarney already knew that, following the 13.3 percent rate in December, inflation would continue to be high in January, but he did not expect that the IBGE [Brazilian Institute of Geography and Statistics] computers in Rio would produce as humiliating a figure as that shown him. On Saturday, the economy was shaken by another frightening figure, that representing inflation as measured by the FGV [Getulio Vargas Foundation], a body which lost its status as the official monitor of price movements 2 months ago to the IBGE, which currently establishes the monthly index. Inflation in January, according to the FGV, was 17.8 percent. In other words, the situation could be even worse than the government, relying on the IBGE figures, believes it to be.

The Anguishing Problems of Popularity

Three months ago, Sarney still believed that inflation would begin to drop as of January, reaching a monthly level of only 5 percent by March, according to one of his closest advisors, despite the fact that all of the predictions which reached the Planalto Palace from outside the government tended to confirm the gloomy forecasts left behind by the outgoing minister, Francisco Dornelles. Dornelles could not see how income could be distributed through wage increases exceeding economic productivity, by increasing taxes and not cutting public expenditures, all at the same time, without these decisions fueling the fires of inflation. But above all, the former minister felt uncomfortable in a government which, without aligning itself with the right or left extremes in the spectrum of political forces, sought to legitimize itself by distributing benefits.

Last week, while Funaro and Sayad gave assurances that the government had not lost control of the inflationary process, a conviction began to crystallize in the minds of politicians and businessmen to the effect that Sarney had fallen into the trap awaiting any government leader who promises more than he can deliver, and sooner or later finds himself on the brink of a suicidal economic policy. "The government is experiencing the anguishing problems of popularity," economist Jose Alfredo Lamy of the Boavista Bank says. "He is avoiding drastic measures out of fear of losing popularity, but he cannot evade questions about the failure to do anything against inflation." The result is an ugly situation brewing in the economy and the politics of the country following every monthly index, each higher than the last.

"It will not be through the policy being pursued, nor through the wage increases which have been authorized, that Sarney can succeed in controlling inflation," industrialist Luis Eulalio de Bueno Vidigal Filho, president of the Sao Paulo State Federation of Industries (FIESP), says. "If he wants to be remembered in history, he will have to adopt a model decision, with a harsher economic policy in an election year." In fact, inflation is only in part an economic phenomenon, to the extent that inconsistent policies, appeals for greater public expenditures and challenges to the political system are to be found among its roots. "The runaway inflation process damages the political picture very rapidly, and is already leading to reactions such as that of Recife Prefect Jarbas Vasconcelos, who has urged the government to adopt energetic measures," the president of the Itau Bank, Jose Carlos Moraes Abreu, says. "Until a short time ago, I would have been surprised to hear a statement like this from the lips of a leftist politician. I believe that the seriousness of the present situation has already begun to dissuade the country from the illusion that monetary issues and economic growth based on wage increases succeed in the end."

The president of the FIESP believes that there is still time to change the direction of the economy without causing major trauma, and he insists that Sarney convert his promise, made after learning the January inflation rate, to control public expenditures with "an iron hand," into a reality. "If this is not done, if it remains just another promise, we will see a replay of the 1982 elections, when the government spent rivers of money to elect the PDS [Social Democratic Party] but lost at the polls," Vidigal warns. "Only then they lost to the New Republic, while now they will lose to forces no one wants," this businessman adds. No one, naturally, except the individuals who voted for these forces--the mass of the discontented of all sorts who felt the attraction of the radical message. In fact, Vidigal and his peers share a common fear--that due to the political incompetence of the government, Lula's PT [Workers Party] and Brizola's PDT [Democratic Workers Party] will make great advances, or may even emerge the winners in the elections next 15 November.

Political Intervention

The fear that the PT and the PDT will be the natural trainbearers of the economic downfall which may result in the coming months if inflation continues its deadly spiral does not perturb just the businessmen, but is now causing a reaction in the leftist faction of the PMDB [Brazilian Democratic Movement Party]--the main party supporting Sarney--itself. The reasons are different from those cited by people like Vidigal and Moraes de Abreu, but they lead up to the same point--the lack of an anti-inflationary policy. "Either we will break up the structures or we will not get out of this," says Airton Soares, a federal deputy, one of the deputy leaders of the PMDB and the figurehead in the leftist faction of the party, who is concerned about the damage inflation will do during the electoral campaign this year.

Deputy Ulysses Guimaraes, president of the Chamber and the PMDB, is also concerned. "A country which does not respect its money will fail," Ulysses Guimaraes is accustomed to saying on the subject of inflation. He says he believes that by election time the problem will have been overcome, but Soares does not share this hope. "The PMDB must seek to break up the current system of economic management," he says. "We must put the ideas we defended during the 20 years we were in the opposition into practice." The problem here is doing in the real life of the government what sounds so good in the free and easy life in the opposition. These ideas, Soares says, include a moratorium on the foreign debt and a state takeover of the banks. Soares says that Ministry of Finance advisors have demanded of the PMDB firmer party action in support of the economic policy of the government. But this will not be easy. Of what PMDB, what support and what economic policy are we speaking? Neither Ulysses Guimaraes nor Funaro wants to politicize the present economic situation, according to other members of the PMDB, so as to avoid a shakeup in the PMDB organs, which have been ever increasingly infiltrated by PDS elements.

A Government Adrift

In the midst of this interplay of ambiguities, Sarney is seeking a balance, persuaded that he can pilot the economy at 200 kilometers per hour indefinitely and without major risk. He begins with the premise that he is working with a presumably crafty policy. For example, he has drawn into the arms of the government an opposition sector which has been practically reduced today to the solitary figure of Amaral Netto, the deputy who is the leader of the PDS in the Chamber. The wider his circle of allies becomes, however, the more contradictions there are in the political bloc which supports him, and the more frequent the demands of parliamentarians, governors, and prefects, for funds which never suffice, and when they are paid out, only contribute to increasing inflation. "There may be those who do not believe this, but no government can fail to a pay high price politically for its errors in management, which are made visible by inflation," economist Paulo Guedes, vice president of the Brazilian Market Institute, says.

The strategy of trying to please everyone, when one is faced with problems of the magnitude of a threat of hyperinflation, would thus have now reached its lowest limit. The support was won, but this asset will be jettisoned insofar as inflationary levels like that in January are seen again. "This government has neither a direction nor an established course, and it is visibly losing credibility and trust," according to Pratini de Moraes, a PDS deputy from Rio Grande do Sul, who has refused invitations to join the PMDB and the PFL [Liberal Front Party]. "They need to become persuaded that 2 and 2 are 4, not 22. There is no miracle which can do away with the imbalance in the public accounts." According to the current diagnosis by businessmen, and perhaps that most popular with economists, it is there, in public expenditures, that the great evil in the economy lies. However this conclusion is not consistent with what is going through the heads of the ministers in the economic sector, despite the announced expenditure cuts and the statements, such as that made by Minister Sayad last Friday, to the effect that "the public sector will take a beating."

If this "beating" is administered, it will be for the first time, and there are very few who are willing to believe it until they see it. Sayad was already supposed to have announced the list of cuts for state agencies, which was to have been submitted to the SEPLAN [Secretariat of Planning] before Christmas. Christmas passed, inflation took off in January, and no one is talking about the cuts recommended by Sarney even before the tax-increase package approved in December, in which there was also a promised pruning of expenditures, a promise still in the realm of good intentions. "The announced cuts were only for show," the head of the Department of Economics at the University of Brasilia, Antonio Dantas, says. Economist Joao Paulo Machado Peixoto, also of the University of Brasilia, is even more skeptical. "If failure to control the economy continues as it is at present, we will inevitably have economic and social instability and political breakdowns," he predicts.

Explosive Situation

The concern which has been caused in the government and outside it by the shameful January rate augurs an explosive situation for the coming months, one which the Planalto Palace does not know how to, does not want to, or does not feel capable of resolving, but which in the absence of a definition, can only grow worse. The sad predictions for the economy are already beginning to be seen in the failure of enterprises to make investment decisions, without which economic growth can not be sustained, nor can new jobs continue to be created at the rate required by social demands. "This picture of instability leads businessmen into a dilemma," sighs executive Edson Vaz Musa, president of Rhodia, affiliated with the french state Rhone-Poulenc conglomerate, which is awaiting better days in order to put more than $60 million into investments. "No one feels comfortable enough to plan long-term investments, given this economic scenario."

Apart from fearing the future, businessmen are complaining about price control. They say that this is a measure which has served its purpose. The system established by the Interministerial Price Council (CIP) turned its attention to industry as soon as Jose Sarney took office, initially with a provisional measure to be abrogated when inflation reverses. Inflation has not declined and at this beginning of 1986, the temporary measure is becoming increasingly permanent. "They are beginning to commit the error, which I committed as well, of abandoning important support," former minister Delfim Netto said last week to an interlocutor. He was speaking of the friction created a week earlier when a letter was sent to the minister of finance over the signatures of the top officials at assembly plants based in Brazil, who threatened to break with the CIP unless an increase of 26.34 percent was seen within a few days.

The clash was turned to the advantage of Funaro when the newspapers last Wednesday carried photographs of holding areas entirely filled with vehicles. With the initiative in his favor again, Funaro sent a team of SUNAB [National Superintendency of Supplies] inspectors to the assembly plants to establish whether or not the stocks had been accumulated pending a CIP adjustment, after which the vehicles would be sent to the concession holders at the new prices. Following tense negotiations, Funaro accepted the manufacturers' explanations that the vehicles were being held for export or because they were not yet finished. "The matter of the storage areas was only a misunderstanding," the president of Ford, Edward Hagenlocker, argues. He is not at all satisfied with his 14 months in Brazil. According to sources in the automotive sector, Ford ended last year a $120 million in the red where its domestic market activities were concerned.

"It is not at all easy to plan for the future of an enterprise when there are variations in the rate of inflation as great as those seen in Brazil," Hagenlocker says somewhat bitterly. Like the other automobile factory officials, he has unwillingly swallowed the 15 percent adjustment Funaro finally authorized. "We bear on our shoulders the weight of the lack of synchronization in prices caused by the CIP," the president of the assemblers' association and vice president of General Motors, Andre Beer, protests. "We are working at a disadvantage, and under these circumstances, it would not be illegal to discontinue production." The assemblers claim that they feel that they are in the same situation as the wageearners were when Minister Delfim Netto was in office, at which time wages were tightened in order to reduce inflation, which did not decline.

Protectors of the People

The casuistry in price control is really a phenomenon of long standing which disrupts markets, causes a shortage of products, does not resolve the problem of inflation, and when revoked, has led to arbitrary adjustments. Normally, it only produces results when applied over a short time. The first person to follow this path was the emperor Diocletian, who handed down an Edict on Maximum Prices in the year 301 AD, which is still today a document applicable to state intervention in the economy. In it, as the "protector of the human race," he decreed that "the highest price of articles for sale will be fixed," since "mankind as such can not provide the solutions desired." Diocletian, in addition to being emperor, thought he was God, and even so his edict was not effective. It is also unlikely to work for Funaro, who knows that he is neither an emperor nor God.

Businessmen such as Vidigal, of the FIESP, Musa, of Rhodia, and Beer, of General Motors, have fought to get the government to focus on the real causes underlying inflation and to begin to abandon the provisional measures, such as the actions of the CIP, which would supposedly strengthen an anti-inflationary policy which in fact has never existed. "The CIP is only causing misunderstandings among businessmen, as is now the case with the automobile sector, diverting attention from the issue of inflation," says Vidigal, who is going to ask Funaro and Sarney to moderate price control. The president of the Sole Central Organization of Workers (CUT), Jair Meneguelli, has also scheduled a trip to Brasilia. After considerable reluctance, he has decided to sit down with Minister of Labor Almir Pazzianotto and listen to what the "social pact," so long urged by Sarney and Funaro but never explained, is all about. But he has already warned that "any proposal which will tie the hands of the trade unions will be rejected by the CUT."

Meneguelli will not abandon the system of quarterly or even more frequent adjustments if inflation does not decline, just as Vidigal, his old opponent in wage-negotiation sessions, will no longer accept price control. Inflation unites them against the government, in an appeal for efficiency in the battle against rising living costs, but divides them at the table, where they suggest competitive proposals, in the battle to see who will lose the least. With inflation high, the government gains by issuing currency to pay for its expenditures, while the businesses and those individuals who can not adjust their available funds each month are the losers.

Qualifying Inflation

Wherever one looks, there is no one urging moderation in the battle against inflation. People are beginning to tire of a problem which dates back a long time, sometimes appears about to end, but then begins its abrasive circuit, touching all types of income, again. "Your task is so difficult today because your predecessors chose to postpone the solution to these problems," the American economist Thomas Sargent said supportively in an open letter to Minister Funaro, in which he predicted that Funaro "or one of your successors will have to adopt some disagreeable fiscal measures shortly" (see interview on p 74). The anatomy of Brazilian inflation does not show the effects of any concrete measure adopted since Sarney took office to reduce it, by any system whatsoever.

The problem encounters resistance, and an effort is made to justify it in the same way as the ministers of finance in the preceding governments did, at which time they became the targets of criticism and ridicule from the very politicians and economists who are in power today. Earlier, chuchu [a vegetable] was blamed for inflation. At the Planalto Palace meeting on Monday, which was preceded by another preparatory meeting held Saturday afternoon at the home of the minister of finance in Brasilia, with Sayad and economists from the two ministries participating, Sarney was informed that the January figure was high because of coffee. "Never has a product influenced our inflation so much," Funaro argued, stating that the price of coffee was up 106 percent in a single month, in a spiral which has already exceeded 1000 percent per year (see chart on p 78). There were also the effects of the drought and seasonal factors--the so called "Gregorian inflation," which leads enterprises to readjust their prices for each part of the year.

Without these factors, according to a joint note signed by Funaro and Sayad, inflation in January would have been down from 16.2 percent to 11.9 percent, which would in fact not have made this situation acceptable either. The fact is that these elements did exist, Brazilians paid more because of these "atypical" or "accidental" increases, and since that is the case, it serves no purpose to cry over spilled milk or to calculate what inflation might have been if people had stopped eating, if industries had stopped producing, and so on. "The business of adding adjectives to describe inflation means nothing, because every month there will always be a product on which the price has gone up more than for others--one day it will be chuchu and another coffee," argues economist Jose Alfredo Lamy.

Political Actions

There must have been some satisfaction for Sarney, however. "You have to explain this to the people," the president said by way of instruction on Monday. In the afternoon the president of the IBGE, economist Edmar Bacha, who had delayed the announcement of the index on Saturday to allow time for Sarney to be informed of the disaster, distributed a memorandum maintaining, predictably, that January was an "accident" and not an indication of how inflation will develop. Funaro also hopes that things will develop this way, despite the predictions that inflation has already been moving toward a new level of a minimum of 12 or 13 percent per month, which would mean more than 300 percent per year. "The great political task of the Brazilian government is reduction of inflation, and there is no one who does not want this," the minister of finance says.

His strategy is to provide information that the basic causes of rising prices have been or are being eliminated, which will serve to cool down the psychological component in inflation, which leads everyone to expect higher figures and to attempt to protect themselves by anticipating markups. One aspect of the strategy involves the import of foodstuffs to compensate for shortages caused by the drought, and also price control for certain foodstuffs--the first list brought coffee down from 129,600 cruzeiros per kilogram to 99,900, and also included sugar, meat, rice and beans. Another aspect has to do with public accounts. The first step taken by Funaro there was to eliminate the link existing between the Bank of Brazil and the Central Bank through the notorious, obscure and dangerous "transfer account." This was the way in which the Bank of Brazil virtually assumed for itself in practice the authority to issue currency. When a public body wanted to spend money it did not have, it went ahead with the expenditure and sent the invoice to the office of the president of the Bank of Brazil, which paid it and debited this transfer account.

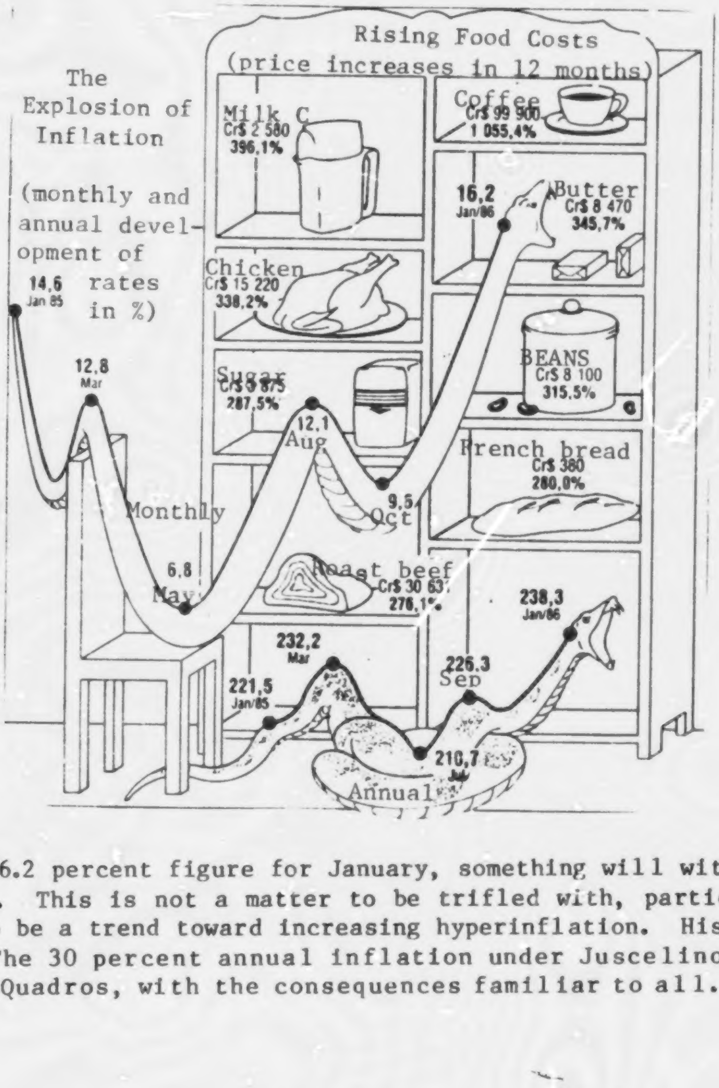
In this way the Central Bank was forced to issue currency and pass it along through the transfer account (so called for this reason) to the account of the Bank of Brazil. Since the days of Mario Henrique Simonsen, finance ministers have tried to block this account, but without any success. They were all defeated by the bureaucratic machinery. A group of bankers also tried to intimidate Funaro on Thursday afternoon after the National Monetary Council had approved the measure. With the authority of one who had successfully negotiated the rollover of the foreign debt with the men who in fact control world finances, Funaro summoned the bankers for a dialogue, submitted to harsh questioning in the presence of reporters, and was applauded in the end. A Bank of Brazil director resigned in protest, the president of the bank, Camillo Calazans, was urged to support this decision and in the process, Funaro demonstrated that the Bank of Brazil cannot claim for itself the authority to direct matters in the economic sector. It is he, Funaro, who commands, and not Calazans or the state bank officials.

Such demonstrations are vital if the situation, already serious, is not to explode suddenly. According to the minister, the government budgets closed with a surplus of 10 billion cruzeiros, which has not happened since the days of the Ernesto Geisel government, and as of February. the Central Bank will cease to exert pressure on the market, thanks to the influx of income it will receive from savings accounts. The purpose of the measure is to lower interest rates. "After resolving the foreign debt issue, I am going to devote all my time to the battle against inflation," Funaro promises. He believes that he has the full support of the president in his campaign against indiscriminate inroads into the trasury. During the month of January, Funaro says, Sarney vetoed requests for new expenditures which he estimates came close to 30 trillion cruzeiros.

An End to Indexing

"I am absolutely convinced that after we show that the budget has been reduced and that we have stocks of foodstuffs, the country will begin to believe in a decline in inflation," the finance minister ventures. A reduced budget, as he points out, will not mean a literally balanced budget. He speaks of eliminating the socalled "operational deficit," created by expenditures which exceed income when they cease to be subject to monetary correction. This would be like a person whose mortgage has increased from a million cruzeiros to 1.1 million in a month with 10 percent inflation, and who, having paid the additional 100,000, regards his deficit as zero. The additional Cr100,000, in the case of the public accounts, would be the "operational deficit," while the real debt to be paid would continue to be a million cruzeiros.

However the operational deficit is eliminated, that is not all that is needed. As Funaro indicated to the director general of the IMF, Jacques de Larosiere, even with this deficit eliminated by the end of the year, Brazilian inflation would not be reduced by more that 50 percentage points in 1986. De Larosiere agreed with Funaro's calculations, and the resulting conclusion is that the main factor feeding Brazilian inflation is economic indexing. This is the system whereby all of the prices in the country for a given month are automatically adjusted by monetary correction based on the preceding month. The government is operating today on the assumption that unless monetary correction is abandoned, it will be difficult to reduce inflation below the 10 percent per month level. Economist Eduardo Modiano, of the PUC [Pomtifical Catholic University] in Rio de Janeiro, believes that the time for abandoning indexing is approaching. It may, in fact, be nearer than many realize. " This has not yet been done only because the government lacks courage," Modiano says. Funaro, however, is willing to discuss the matter, but only after the effects of the impact of farm prices on the economy are behind us.



Following the 16.2 percent figure for January, something will without a doubt have to be done. This is not a matter to be trifled with, particularly when there appears to be a trend toward increasing hyperinflation. History is rich in examples. The 30 percent annual inflation under Juscelino Kubitschek produced Janio Quadros, with the consequences familiar to all. Under Joao

Goulart, inflation did not exceed 100 percent, but it led to something even more overwhelming--the 1964 revolution. And finally, the 220 percent inflation under Joao Figueiredo led to direct elections, the rise of Tancredo Neves, and the end of a regime which had prevailed in the country for 21 years. Today, with inflation running at 0.5 per cent per day, it is not hard to foresee the major confusion which lies ahead. Figures of this magnitude have unimagined effects on the life of the citizenry. A person who has financed the purchase of an apartment for a billion cruzeiros, for example, will be owing an additional 70,000 after reading this article from beginning to end.

5157
CSO: 3342/75

CETEX ANNOUNCES BREAKTHROUGH IN SILICON OXIDE

Rio de Janeiro O GLOBO in Portuguese 17 Dec 85 p 22

[Text] Brasilia--A German industrial monopoly could be broken by Brazil through research developed by the Army Technological Center: the production of silicon oxide for fiber optic components. This market, calculated by specialists of the Ministry of Science and Technology to be about $4 billion annually, may be threatened by Brazilian industries as soon as the method becomes economically viable.

Currently, all existing fiber optic industries use a base compound--produced from quartz crystals--from a single supplier in West Germany. From this base compound a secondary silica is made, which is then heated until it may be extruded into a thin optical fiber capable of making more than 2,400 simultaneous connections, substituting for hundreds of traditional telephone wires.

The importance of fiber optics grew with the spread of telecommunications, with its computers and high capacity communication systems. To meet the current demand of these means, engineering firms around the world have already replaced traditional wires with fiber optic systems in the construction of office buildings.

In Brazil, this effect is beginning to be felt now; with the manufacture of national computers and their consequent spread to homes and offices, some consequences of overloading the telephone networks are already emerging. A clear example is Embratel's Ciranda Project, which mobilizes a large part of the available reserve for the transmission of data between 1900 and 2100 hours. But the high cost of the imported material reduces the possibilities of fiber optic use on a large scale.

Brazil is the principal exporter of unrefined quartz--the raw material for silicon oxide--to German industry. With the technology developed by the Army Technological Center, Brazil will start exporting the processed product to a range of countries, raising the negative balance of payments by a considerable amount--oxide is 100 times more expensive than the basic raw material.

The secretary of army technology, Haroldo Erichsen da Fonseca, confirmed the good results of the research developed by Cetex in a symposium on technological research sponsored by the Federal Senate about two months ago. But he asked that the matter not be made public since it was still confidential and experiemental. Today, according to unofficial sources, the project has already reached a degree of viability which would indicate its possible use on an industrial scale within 5 years.

13007/12948
CSO: 3699/2

FRG'S DLT CHOOSES 'EMB-120 BRASILIA' 30-PASSENGER AIRCRAFT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 86 p 35

[Text] Sao Jose dos Campos--The Federal Republic of Germany is the 30th country to acquire aircraft manufactured in Brazil, today in operation on all five continents. Embraer sold six EMB-120 Brasilias to Deutsche Luftverkehsgesselshaft (DLT), based in Frankfurt, one of the largest European companies in regional air transportation, and a subsidiary of Lufthansa, the official airline of the Federal Republic of Germany.

The delivery ceremony of the first Brasilia to DLT will take place next Thursday in Sao Jose dos Campos, at Embraer headquarters. Until now, Embraer has closed on 62 sales contracts of the Brasilia, 42 to regional firms in the United States, 9 to Europe, 7 to Australia, 2 to Africa and 2 to Brazil. The Brasilia still has 37 buy options on the foreign market and 52 on the domestic market.

The first Brasilia manufactured in mass production--the first prototype flew in 1983--was delivered last August to the North American firm Atlantic Southeast Airlines, which acquired six aircraft, all delivered in 1985. In 1986, Embraer planned to manufacture three Brasilias per month, but depending on its reception by the foreign market, that production may be increased in the second semester, to the assembly of four aircraft per month.

The Brasilia is the newest turboprop of the new generation; it is the first long-distance airplane developed and manufactured in Brazil. It uses Pratt and Whitney turbines, each with 1,600 HP. The 30-passenger aircraft is being sold for $5 million. According to U.S. airline companies that are using the Brasilia, a load factor greater than 12 passengers becomes profitable to its operator--thus its great reception on the international market.

Before purchasing the six Brasilias, however, the DLT considered several airplanes to replace its current fleet of British Avros. However, the SF-340, for 34 passengers, a Swedish-North American project of Saab-Fairchild, presented payload restrictions, a high level of internal noise, and was equipped with General Electric CT7 motors in which DLT mechanics were not specialized. In addition, North American Fairchild recently broke off its partnership and the Swedish Saab-Scania was left with the project. Finally, SF-340 certification was revoked in England because of icing problems on its vertical rudder.

But DLT also looked at other airplanes, like the CN-235, a Spanish-Indonesian project of Casa-Nurtanio which seats 36, but that presented an insufficient range for the DLT's needs. The 39-passenger Canadian Havilland Dash-8 was already disqualified as a contender because of a "lack of decision of the Canadian government's part, since the next phase of the project still had not begun."

As to the ATR-42, a French-Italian project of Aeroespaciale and Aeritalia, with 44 seats, DLT felt is was not a satisfactory solution to the company's air service network. For the same reasons, the Germans did not purchase the 60-passenger British stretch Avro 748, manufactured by the consortium BAe-ATR. These last two models lost to the Dutch Fokker, for 50 passengers.

13007/12948
CSO: 3699/2

BRIEFS

CZECHOSLOVAKIA TO PURCHASE TECHNOLOGIES--Brazil can sell fiber optics and laser technology to Czechoslovakia and purchase from the Czechs several millions of dollars' worth of irrigation equipment, under the Nordeste Project for the irrigation of 2 million hectares, for $4 billion. Since yesterday, a delegation from the Czechoslovakian government, lead by the vice minister of foreign trade, Ladislav Zodrazka, has been in Brazil to negotiate an increase in bilateral trade with the Brazilian government. Today Ladislav meets with the minister of the interior, Ronaldo Costa Couto, then he is to propose the sale of equipment for the Nordeste Project. The government wants to irrigate at least 1 million hectares by 1988 and will need several million water pumps to do so. The ministry of foreign affairs of the Soviet Union has already offered its pumps, as has Israel. Yesterday at a luncheon in Itamaraty Palace, the members of the delegation informed the Brazilian government that their machines are top quality, unequaled in the world, and that they irrigate at very low cost, thus making them strong contenders. In return, the Czechoslovakian government wants to buy Brazilian laser and fiber optic technology (telephone lines produced by laser). [Text] Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jan 86 p 27] 13007/12948

JOINT ARMS PRODUCTION WITH YUGOSLAVIA-The British magazine JANE'S DEFENSE WEEKLY states in its latest edition that Yugoslavia will be Brazil's first East European partner in arms production. In fact, the magazine cites O ESTADO DE SAO PAULO as its source of information. In partnership with Brazil, Belgrade wants to produce a tank turret equipped with a 120-mm cannon and a laser range finder made by the Soviets. The Brazilian Army, says the magazine, considers the project an opportunity for technological cooperation, while Itamaraty sees it as a possibility for equalizing the balance of trade, and the military industry as a possibility for close study of Soviet technology. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jan 86 p 5] 13007/12948

CSO: 3699/2

MDP LEADER: MARCOS' DOWNFALL LESSON TO LEARN

PY270013 Santiago Radio Chilena in Spanish 1600 GMT 26 Feb 86

[Text] President Ferdinand Marcos' downfall has provoked diverse reactions in Chile. However, there is an overall common feeling of satisfaction. Each individual and political sector has reacted differently. Let us listen to the opinion of Ossiel Nunez, a Popular Democratic Movement [MDP] leader.

[Begin Nunez recording] The case of the Philippines makes us recall the lesson we recently learned from Haiti: Dictatorships cannot resist the pressure of a brave and united people who are determined to recover their rights. A popular rebellion has triumphed in the Philippines.

The Philippine regime, like the Chilean one, had in its Armed Forces its main internal support, but it was defeated despite seeming to be invincible.

What power could tanks have when the people laid down across the streets? How could the Army shoot at a crowd of people willing to die rather than relinquish their positions? [End recording]

Ossiel Nunez pointed out that the Philippine Armed Forces sided with the people to help oust Marcos.

[Begin Nunez recording] Many people in Chile say that it is absurd to oust the dictatorship because we do not have enough force to do so. In this way, this sort of people justify their need to negotiate.

However, the Filipinos are demonstrating that this is not true. It is our duty, therefore, to learn from their example. The main lesson is that we must unite if we want to attain our objectives. All forces played an important role in the process. The Catholic Church played a very important role in the Philippines. [End recording]

The MDP leader believes that it is everyone's duty to work for unity, for brotherhood in the country. He also believes that the United States played a vital but condemnable role in Marcos' downfall.

[Begin Nunez recording] In face of Marcos' unsustainable position, the United States had to sacrifice him. This is the only thing that makes me sad about this good news, because we believe that a real, fair democracy cannot be built when U.S. interests are present. [End recording]

/8918
CSO: 3348/442

RADOMIRO TOMIC EXPLAINS MECHANISM FOR EMERGENCY GOVERNMENT

PY081401 Santiago ANALISIS in Spanish 25 Feb-3 Mar 86 pp 16-19

[From the "Interview" column: "There Will Not Be a Democratic Solution Without an Agreement With the Marxists," by Juanita Rojas. An interview with Radomiro Tomic, a former Christian Democratic senator and presidential candidate--date and place not given--quotation marks as published]

[Excerpts] An Alternate Proposal

[Rojas] Do you have an alternate framework that you would use as a counterproposal to the National Accord's proposal for the return to democracy in Chile?

[Tomic] There are two complementary positions. The first one: An ethical and political guiding ideal as an imperative framework. This means visualizing Chile as and making the effort to turn it into a fatherland for all Chileans, without exclusions, which are intolerable from the moral or patriotic viewpoints, and especially, without prior exclusions. The second one: A temporary political mechanism--an emergency government--as an instrument to give concrete form to the ethical and patriotic proposal of a fatherland for everyone.

[Rojas] How could this "fatherland for everyone" come into being?

[Tomic] Some 4 or 5 years ago ANALISIS honored me by publishing, as an insert, an interview several pages in length on this topic. The situation remains the same. I will sum up the essentials. Two factors are inseparable. The ethical factor: The loyal acceptance without reservations that the fatherland exists, that we Chileans form a single national community, and that Chile needs all Chileans. The temporary political mechanism. The emergency government as an instrument that will give concrete form to the spirit of unity and to the desire for national reconciliation. Both of these factors must have a simultaneous and twofold goal: To shorten the dictatorship that will be trusted by all Chileans; trusted in its authority and in its true patriotic intentions by both civilians and military men, as well as by the political, labor, social, and cultural forces. In sum, by the great national majority (unanimity is not indispensable) that makes up the essence and the every day life of all Chileans. Let us understand each other.

We are not talking about models of societies, but about an emergency government to face the concrete, serious, and diverse emergencies that will be unleashed when the dictatorship and its repressive apparatus come to an end in the immediate term.

[Rojas] Could you expand this alternative some more?

[Tomic] "It is my belief that the precept of a fatherland for all Chileans does not require a long explanation. One is either in favor of or against it in accordance with whether the idea of a fatherland is accepted or rejected.

The operational mechanism of the emergency government requires a longer explanation. It must be understood as an expression of the desire of the majority through a free and secret plebiscite, but this plebiscite must be preceded by a "proposal to the country" that will be essentially formulated by the three interlocutors that are indispensable at the current time: The political forces, the social and labor forces, and the Armed Forces that must acknowledge that it is their duty to return as soon as possible to the Chilean people the sovereignty that belongs to the people.

As I have just said, the proposal to the country implies the acknowledgement of the role of the political parties, the social organizations, and the military, and this cannot be ignored. It also implies a high degree of agreement among these three sectors regarding: a) The exceptional powers and the limits that will be granted to the emergency government; b) The problems constituting the emergency making an emergency government indispensable in order to control and dominate those problems; c) The format of the emergency government (its member forces); d) Its great specific objectives and the tentative periods of time in which they will successively be achieved; e) The mechanism of internal control to stop the emergency government from degenerating into an arbitrary government; and f) the period holding of consultations (plebiscites) with the people to verify partial achievements, to indicate whether the mandate should continue, and to pronounce themselves on necessary extensions or rectifications.

"The proposal to the country will not impose anything on the people. It will be brought a direct, free, and secret vote that the people themselves will cause the emergency government to be born, the people will give it the special powers that it will require, and legitimatize its authority and its program. Although the proposers will have been--and must be--the political and social forces and the Armed Forces, the emergency government must not be a "government of the parties," nor a "government of the unions and businessmen," nor a "government of the military." It must not even be a mixture of those three sectors. The overall proposal is based on the fact that the emergency government is born through the desire of the people and that it receives its authority from the people, and its sphere of action will be limited to the great problems of the emergency and to the deadlines indicated by the plebiscite that will legitimatize the proposal to the country, maybe within 2 or 3 years.

"It is obvious that each of these factors needs to be substantiated and that they are open to some objections, but you do not have the space and I do not have the time to go beyond this outline.

"For those who state that a "fatherland for everyone" and its implementation through an emergency government is just a play on words, the answer is that this formula is not mine and it was not invented in Chile. Many other peoples within this same generation have only been able to overcome catastrophes provoked by foreign or civil war by turning to the enduring values of nationality.

"For those who maintain that the acceptance of "Chile as a fatherland for everyone" and the emergency government will be much more difficult than achieving an agreement between the political parties, the answer also seems obvious. Doesn't everyone know that for the past 10 years it has been the agreement between the political parties that has been the center of attention? The dictatorship is now 13 years old, will we have to wait out these next 3 years of its schedule? And if this were to occur, who can guarantee that the political parties would then reach the agreement that up to now they have not been able to read, despite the fact that all of them are victims of the dictatorship? And what will happen to the country when the 150,000 submachine guns, the fear, the discipline enforced by fear and the atrocious lack of justice and the inequity of rights and options between the rich and the poor under the military regime have disappeared?

There are people who say that I am a maximalist. My political life and my performance as a lawmaker prove that this is not true. Even so, in times of crises, the most serious threat for the people comes from the minimalists.

I think it was Benjamin Franklin who said that "if you see a friend drowning 8 meters offshore, do not throw him a 4-meter rope because you friend will die and you will lose the rope."

[Rojas] What is your opinion of the Armed Forces within this context?

[Tomic] That is the crux of the problem. There are two contradictory positions regarding this issue. First, that "it will be impossible to peacefully restore democracy in Chile without the Armed Forces, because civilians do not have the power to restore it." Second, that "the Armed Forces will refuse to hand over power to a civilian government if communism and Marxism are not previously and explicitly excluded."

These concatenate positions have distorted our situation and have rendered it unmanageable, bringing the democratization process a stalemate. This is a key issue for the Chilean future. Therefore, we must analyze it from a rigorous, intellectually honest viewpoint.

The Chilean democracy, which was open to all lines of thinking, developed in a country which had economic difficulties and major differences particularly of economic nature, between its social classes. Consequently, there have been socialist ideas in our country since the middle of the 19th century. This doctrine has become stronger since early in the 20th century and, after a process that lasted almost 100 years, it became the sociopolitical choice of approximately one-third of all Chileans. This is an unquestionable fact.

If they are to act logically and in keeping with their beliefs, those who obstinately insist that Marxist groups be declared unconstitutional should request that the Constitution must establish that Marxists should cease to be Chileans. Of course, this is an aberration that no one has yet dared propose.

"It is a fact that for the past 13 years, General Pinochet and the top-ranking member of the armed and Carabineros Forces have used the 'struggle against communism' as an excuse to ethically justify the [1973] coup and the massive human rights violations that have deteriorated Chile's image abroad; and now as the government's leitmotif for obstructing the restoration of democracy. In fact, since in these past 13 years three full generations of new officers have passed through military institutes, it is possible that anti-communism has also ceased to be the main criteria on which patriotism is measured.

"To summarize: that there are one million Chileans (in politics, unions, shantytowns, professional associations, universities, and teaching, art and cultural institutions, etc.) who have decided to support, and will surely support again, Marxist ideas is an inexorable fact. It is also an inexorable fact that there are one million Chileans who are atheists and another million who believe in God, but who do not belong to the Catholic Church. It would be a moral aberration and a mutilation of Chile's body and soul to declare "unconstitutional" the atheists, the Protestants, the Jews, or the Marxists. However, the fact that 5,000 Armed Forces officers (this is an arbitrary number) believe that Marxist ideas 'are a cancer that must be removed at any price' and that Marxists 'have not right to be Chileans' is a subjective phenomenon that is erroneous in its perception of reality and a prejudice, and all of this can be clearly proven.

[Rojas] How would you prove this?

[Tomic] First: Chileans are not born "military" or "civilians," or rightist or leftists, nor Marxists or non-Marxists. They all share a fatherland, common ancestors, cultural background and a brain capable of perceiving and analyzing facts...whether they wear a military uniform or a suit.

"Second: Regarding the professionalism of the Chilean soldier, the noble tradition of the Chilean Armed Forces is incompatible with the gross lie that "one can measure patriotism with anti-communism." What has given international prestige to the Chilean Army and the Chilean Navy has been their professionalism, that is, their respect for [words indistinct]. We may add that the great soldiers of the past century and of this century, who are honored and revered by the country did not exert a tutelage or demand to intervene in the disagreements between civilians in a democracy.

"Third: The 1973 institutional crisis--the coup d'etat against Allende and the Popular Unity [UP]--and the lack of government that prevailed in 1973 was a circumstantial incident and it was not in keeping with "a military doctrine on military duty and power."

"Four: Chilean military officers are no more patriotic than military officers from Germany, France, Italy, England, Spain, Sweden, Finland, Argentina, Uruguay or Brazil. In all of these countries there are communist parties whose importance in political, union, and social activities varies according to the activities they develop.

"Fifth: We must be perfectly clear: an army that refuses to loyally fulfill its specific function within a state would destroy its legitimacy, its reason for being...and it consequently would destroy the state by perverting the basic fundamentals of society.

[Rojas] You have presented the problem of violence as an ethical and moral issue. Is it an ethical and moral issue?

[Tomic] The problem of violence is an ethical and moral issue because the use of force will be just or unjust, moral or immoral according to the circumstances in which it is used. Nonviolence is not obligatory as a norm. What is obligatory is the use of legal methods to defend and promote the enforcement of human and individual or national rights.

Gandhi is in heaven, and I am absolutely sure that this is so for Lincoln, despite the fact that he did not hesitate to declare a civil war to safeguard the unity of the United States and the freedom of slaves in which 500,000 people died.

"To maintain that if the victims of injustice chose peaceful means 'they will disturb the heart of their oppressor' is a noble vision but it is completely out of touch with the history of our complex modern society. The decisions of the IMF, of the banks, of the multinational companies are mainly to blame for the hunger of millions of human beings and for the degrading of entire nations, at a much larger scale than mere every-day normal employers.

"Nations are exploited by juridical entities that have no soul, no human face, no nervous system, nor do they need to sleep.

"With the same noble intention it is solemnly stated that 'violence does not lead to anything.' Unfortunately, world history--and Chilean history in particular, beginning with our independence--makes this statement invalid. I am a Catholic and believe that it is better to resort to peaceful means rather than violent means; but in a few words, the issue of violence was born with man and will always be there as long as the human race exists.

/6662
CSO: 3348/451

CHILE

BRIEFS

OPPOSITION LEADERS SUMMONED--A Chilean judge has summoned eight opposition leaders from the Intransigent Democracy, accused of inciting disruption of public order and the overthrow of General Augusto Pinochet's military regime. Among the leaders summoned are the well-known human rights defender Fanny Pollarolo and Rafael Agustin Gumucio. On Wednesday, Alejandro Toro, former communist senator; Andres Palma, president of the Christian Democratic youths; and Manuel Sanhueza, president of Intransigent Democracy, were also arrested and arraigned on the same charges. Today in Lima, communist leader Luis Justavino accused dictator Augusto Pinochet of causing the biggest economic, industrial, and moral catastrophe in Chile's history. [Text] [Havana International Service in Spanish 1600 GMT 21 Feb 86 PA] /8918

CSO: 3348/442

GRENADA

PAPER DISCUSSES GOVERNMENT'S POLICY ON INFORMATION FLOW

St Georges THE GRENADIAN VOICE in English 1 Feb 86 p 4

[Editorial]

[Text] WE ARE PLEASED to learn that an Adviser on Government Information has arrived from Jamaica "to advise government of the reorganisation of its information services" - although we believe there is a superfluous "re" in that statement. We rejoice that he is such a qualified person with such a wealth of experience behind him and we extend a hearty welcome to Mr. Ken Chaplin.

We are even more pleased to learn, from the lips of the Parliamentary Secretary for Information, Senator Ben Andrew, that the Government (at last) "recognises the need to improve the flow of information on its policies and programmes to the people as well as to be informed of the views of the people on its activities."

Information has not "flowed" to us as to what the O & M Team recommended in respect of this important department or any other, but, for starters, we would like to say that we trust Mr. Chaplin will keep before him constantly the fact that he is now in Grenada, which is just about one fortieth the size of Jamaica with a population of less than one twentieth. However, while, in certain areas, his organisation must be kept to scale, this clearly cannot apply to the amount of information that must flow from the department - especially since we have so recently emerged from a situation where the type of information fed to the people was mostly propaganda.

One of the early tasks Mr. Chaplin needs to set himself is that of convincing the Prime Minister that, nice as his weekly fatherly radio chats may be, it is no way to "win friends and influence.." the media, which every astute modern politician recognises as desirable. Especially in our present situation, regular press conferences are essential and, in the light of our only experience with this government, advice on how to behave at them is also necessary.

An overall media relations policy is needed. For example, Government must learn to take the media into its confidence and give early information, on such occasions as the Reagan visit, embargoed to a stated time, and cut out in future people who break the embargo. It must also be appreciated that the media cannot be expected to be entirely dependent on Information Service handouts. Government Ministers must, within reason, be accessible to members of the media when they are seeking information on particular subjects. We know that the media must recognise that, at certain times, certain information can be "classified". But governmnet must also recognise that their business is the people's business and they must be as free as possible with information.

But one thing about Mr. Chaplin's "charge", as we understand it, is disturbing and, we hope, untrue. Radio Grenada CANNOT be incorporated into the Government Information Service. What we need there is the urgent establishment of a strong statutory Grenada Broadcasting Corporation to turn Radio Grenada commercial and get the Television station on the air,both in the quickest possible time, and stop paying money out of government coffers for a service which can pay for itself - even at our expense - while doing a better job - WITH THE FACILITIES IT HAS NOW!

/9274
CSO: 3298/351

TRADE DEFICIT FOR 1985 UP DESPITE GROWTH IN EXPORTS

St Georges THE GRENADIAN VOICE in English 8 Feb 86 p 1

[Text] GRENADA had a record Trade Deficit of $127 Million in 1985. But this is only one of three trade records which the country established over the period.

With food, machinery and transport bieng the main items, the country imported a total of $186 million during the year while bettering the performance in exports than at any time during the previous ten years. The $59.4 million figure was 22% higher than the exports for 1984.

This information was given by Director of Planning Mr. Terrence Moore as he addressed the gathering at Marryshow House on Tuesday afternoon for the launching of the OAS/USAID Non-Formal Skills Training Project.

But Mr. Moore's news was not all bad. He held out excellent prospects for 1986. "Should the upward trend in economic activities hold and the proposed plans reach fruition, there is little doubt that Grenada is on the threshold of very favourable and positive growth prospects in the medium to long term." Mr. Moore said.

It is anticipated that ten hotels will be constructed or begin construction during the year with a projected employment of 200 persons and a potential income of $20 million. In the manufacturing sector, it is envisaged, on the basis of government's approvals in that sector, that some 24 establishments will be implemented or begin in 1986. These activities are expected to yield a total of some 600 jobs and projected income of over $20 million. Overall, about 850 jobs are expected to be created on the basis on new investments in 1986

But there was also a note of concern in Mr. Moore's remarks. He noted that 1200 to 1500 school leavers enter the job market every year and the absorption rate would need to be much better to provide for all. He said that prospects were good in one sense but equally frightening in another and wondered whether Grenada had the kind of manpower to sustain the projected activities in the short term.

Nevertheless, he advised that "In our enthusiasm to train we must be careful not to flood the market with trainees who cannot be absorbed."

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CSO: 3298/351

GRENADA

'FIRED' OFFICIAL CALLS FOR INQUIRY INTO MINISTRY OF WORKS

St Georges THE GRENADIAN VOICE in English 8 Feb 86 p 16

[Text]

NNP member of Parliament for the constituency of St. Patrick's West, Mr. Kenny Lalsingh, was fired from his post as Parliamentary Secretary in the Ministry of Education last week by Prime Minister Herbert Blaize and the member has called for an inquiry into the Ministry of Works and for anyone found guilty of corruption there to be charged.

Lalsingh told a Press conference on Monday afternoon that although the Prime Minister had announced on the radio on Friday night (January 31) that he had accepted Lalsingh's resignation, and that "this would give him more time to look after his personal business", he had in fact been forced by the P.M. to resign "because of a cooked up story from the Ministry of works" in which was allegedly accused of selling government cement.

Lalsingh told the press that he had confirmed to the P.M. that he had received 210 bags of cement last week Monday for use on various projects in his constituency and had already delivered 16 bags. The P.M. called on him to return the remainder, because it had been obtained without proper authority, and he did so. He said, however, that Blaize called him on Thursday and told him that he wanted his resignation and he delivered it at about 4.30 that afternoon.

Like every other NNP parliamentarian Lalsingh said, he was allocated $20.000 for special works in his constituency but there was so much to be done in his formerly neglected area that (while P.S. in the Ministry of Works) he continued to draw material to work on the 20 projects which he and his supporters had identified. He was transferred to Education after a quarrel with Works Minister Keith Mitchell but he continued to draw material "without any problem whatsoever" with the assistance of the staff. While in the Ministry of Works he had also helped other parliamentarians to get material for jobs in their area. He estimated that the jobs he did, with the assistance of his constituents was valued at about $80.000. He said that all material drawn by him was used on these projects and that, while he had sold cement in his business before entering parliament he had since turned that business over to another concern in Sauteurs.

He charged that the Prime Minister likes to make hasty decisions, but on certain matters, like the Payne/Heyliger matter he would not make one.

Lalsingh said he will not resign from the party or the House as his people were 100% behind him and he called on members of the NNP to take control of the situation.

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CSO: 3298/351

GRENADA

MBPM DETAILS 12 REASONS FOR OPPOSING VISIT BY REAGAN

St Johns OUTLET in English 14 Feb 86 p 4

[Text] The Maurice Bishop Patriotic Movement (MBPM) in Grenada led by Kenrick Radix the longest colleague of the late great Maurice Bishop. [as published]

Below the party gives its reasons why patriotic Grenadians cannot and will not welcome Reagan on his visit there on February 20.

MBPM SAYS WE ARE OPPOSED TO THE VISIT OF RONALD REAGAN BECAUSE REAGAN IS COMING TO:

(1) Claim the Maurice Bishop International Airport as his own.

After 40 years of empty promises by all different governments, Grenada built an international airport under the PRG led by **Maurice Bishop,** with international co-operation from Cuba, Syria, Algeria, Venezuela, Libya, the EEC and many others. Prime Minister Bishop and the Revolution gave the people their dream. The U.S. and Ronald Reagan refused to help and sabotaged every effort of the PRG to build the airport. "Grenada does not even have an airforce; it does not need an international airport," Ronald Reagan said in March 1983. Now the same Ronald Reagan is coming to claim our airport as his own.

(2) Introduce a new round of Colonialism to Grenada and the Caribbean

Our fighters for liberation, Fedon, Garvey, Toussaint L'Overture, Marryshow, Butler, all fought to bring an end to colonialism in the Caribbean. Now Blaize and the other house slaves of the Caribbean like Seaga and Eugenia, want to bring us under the yankee colonial yoke. We now face being modern slaves in new colonies of the U.S.

(3) Rewrite the History of Grenada

For Reagan, the 1979 Revolution did not bring freedom for Grenadians. The food, jobs, health, education, housing, and all other new benefits Grenadians enjoyed was not development, according to Reagan. Reagan says "now" is freedom, but with NNP there is no food, no work, no pay. **For the people of Grenada, Bishop is a hero eternally; to Ronald Reagan, Bishop must be forgotten.**

(4) Turn Grenada into another Jamaica

When Seaga took power in Jamaica, Reagan said they will make Jamaica into a paradise. Today, Jamaica is a nation with a big begging bowl - a pauper nation. Reagan failed in Jamaica now he is promising to AIDS Grenada.

(5) Thief the Heads of Caribbean Leaders not to help the People of South Africa fight for Freedom.

Reagan refused to impose sanctions on racist South Africa but he is spending millions against Angola, Cuba and Nicaragua. Reagan administration finances and props apartheid. We say Reagan must invade South Africa before he could be welcome in Grenada. African blood is our blood!

(6) Bless the New Caribbean Democratic Union

To hang the label "Democratic" on repressive, anti-people, right-wing governments of the region to try to fool the masses.

(7) Change the Caribbean from a Zone of Peace, Independence and Development to a Zone of War.

Since the Grenada invasion of 1983, the Reagan Administration has spent over US$100 million buying equipment for governments of the Caribbean to repress their people and to invade their neighbours. Guns, Marines, Gunboats, is the policy of Reagan for the Caribbean; Not peace, independence and development.

(8) Prop-Up the Unpopular, Inefficient, Corrupt NNP Regime.

NNP is now split left, right, and centre. It rules for the tiny handful of big businessmen in St. George's; not the masses. NNP is now the most unpopular government ever in the history of Grenada. Since it was the U.S. that put NNP in power, Reagan is now coming to prop it up so it can continue to oppress the people.

(9) Try to Crush the Progressive and Democratic Movement in Grenada and in the Caribbean Forever.

Reagan and his New Democratic Union have launched a crusade to crush the real progressive and democratic movements in the Caribbean. This visit will be used as a new platform in their crusade.

(10) Make the Caribbean a Right-Wing Bloc opposing the True Struggles of the Third World.

The Reagan Administration is the most unpopular US government ever among Third World countries. His political, military and economic policies have produced Haiti, Chile, El Salvador, Somozas, Bastistas and Seagas. Now he wishes to make the rest of the Caribbean part of that club of dictatorships and use against progressive Third World countries.

(11) Show-off Grenada as a Military, Economic and Political success

The U.S. has not won a single victory for the past 40 years. And even though the whole world voted 108 to 8 in the United Nations condemning the invasion of Grenada, Reagan still wants to try to fool the people of the world. But the Grenada invasion is no victory; he only killed a corpse.

(12) Above all no Patriot could Welcome to our land someone who invaded our sovereign country.

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CSO: 3298/351

CEREZO DEMANDS FINANCIAL DISCLOSURE BY PUBLIC OFFICIALS

Guatemala City PRENSA LIBRE in Spanish 10 Jan 86 p 6

[Text] "All public officials must file a declaration of their net worth before they take office," President-Elect Vinicio Cerezo Arevalo said yesterday during the press conference at which he introduced the members of his cabinet.

The ministers-designate are: energy and mines, Roland Castillo Contoux; agriculture, Rodolfo Estrada; defense, Gen Jaime Hernandez; communications, Eduardo Goyzueta, and finance, Dr Rodolfo Paiz Andrade.

Mario Quinonez Amezquita was selected to head the Foreign Relations Ministry; Juan Jose Rodil Peralta to head interior; Dr Carlos Armando Soto, public health; Catalina Soberanis, labor; Dr Eduardo Meyer, education; Elmar Rene Rojas, culture and sports; and Rene De Leon Schlotter, development.

Cerezo Arevalo roundly denied that the choice of General Hernandez had been imposed on him. "Hernandez found out that he was going to be defense minister just one day before I told the chief of state and the army commanders, who immediately accepted the decision of the future commander in chief of the military."

As far as the future government's general policy is concerned, Cerezo said that it would be to respect the decision of all nations regarding their own destiny.

Presidential Meeting

Cerezo Arevalo also announced a meeting among the Central American presidents who will be attending his inauguration, to spur the creation of a Central American Parliament and to support the efforts of the Contadora Group to achieve peace.

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CSO: 3248/193

GUATEMALA

BRIEFS

CHIEF OF STAFF APPOINTED--Col Mario Enrique Paiz Bolanos, the current head of FYDEP [National Enterprise for the Economic Promotion and Development of El Peten], will become the chief of staff of the vice presidency of the republic and will be replaced in FYDEP by Col Francisco Castellanos Gongora, Christian Democratic (DC) sources reported yesterday. Colonel Paiz will be in charge of security and other activities for the vice president, Roberto Carpio Nicolle. Col Castellanos Gongora, a native of Ciudad Flores, is now in charge of the military section of the Guatemalan Embassy in Venezuela. He has been commander of several military units and most recently served as commander of the paratroopers base in Puerto San Jose, Escuintla. It was also learned from DC sources that it is almost certain that Congressman Elian Dario Acuna will be named comptroller; Claudia Arenas, director of the Guatemalan Institute of Tourism; Carlos Morales Villatoro, president of AVIATECA; and Guillermo Diaz Romeo, director of the Institute of Anthropology and History. [Text] [Guatemala City PRENSA LIBRE in Spanish 10 Jan 86 p 6] 8743

CSO: 3248/193

GUYANA

HOYTE OFFERS BLUEPRINT FOR FUTURE IN ADDRESS TO PNC

Focus of Meeting

Georgetown NEW NATION in English 26 Jan 86 p 1

[Text]

ONE of the major areas of focus of the People's National Congress this year is the development of ideological consciousness among its members and supporters. Last December on the occasion of the 21st anniversary of the Party in Government, Leader of the People's National Congress stated that the focus will be on strengthening the Party.

And when General Secretary, Cde **Ranji Chandisingh** met with the Congress Place staff last week he re-emphasised the decision to raise the level of ideological consciousness of Party workers.

With these directives the various departments of the Party Secretariat have centred their activities for this year on strengthening the Party. Executive Secretary and Head of the Department of Party Affairs and Mass Organisations, Cde **Kenneth Denny** reported to the Administrative Committee meeting of the Party that one of the objectives of his department is the qualitative and quantitative strengthening of the Party.

To achieve this the programme for his department includes general outreach work, meet-the-public visits and closer co-operation with the various mass organisations in the Guyanese society.

The department will continue to organise popular support and will initiate action to organise the economic, political and social life of the people.

REVITALISATION

Existing Party groups are to be revitalised, and to ensure that the Party maintains a strong mobilisation capability, the department has identified the various organisations in its political regional structure to be the media for a continued Party presence among the people.

The programme in which Ministers of Government and senior Party functionaries meet with members of the public is being extended to the point where these functionaries will meet regularly with the people in their communities. This represents an extension of the programme in which such meetings generally took place at the various Party district offices and at Congress Place.

Executive Secretary and Head of the Department for National Orientation and International Relations, Cde Patrick Denny, told the Administrative Committee that his department's area of focus in the move to strengthen the Party will be ideological training.

ORIENTATION

Residential and non-residential courses have been planned for the participants who will be Party cadres in the main. At present the Secretariat conducts weekly study sessions. In addition, study sessions are to be conducted in every department in the secretariat.

There is to be, too, a programme through which the Party will identify and liaise with the various cultural groups in the country. Attempts will also be made to identify the dominant cultural art forms in the respective communities.

The Department of National Orientation and International Relations is also to concentrate on strengthening the Party groups overseas. In addition, the department will seek to improve contact with friendly organisations and groups overseas.

The arms of the Party are also involved in the programme of strengthening the Party.

The Young Socialist Movement which holds its Fifth Biennial Congress in August will concentrate on increasing the quality and quantity of its membership.

In addition the movement will spearhead the establishment of a youth settlement within the MMA scheme. The proposal is that seven acres be allocated to each settler for cultivation with an additional three acres for establishing his homestead. This programme is being conducted in addition to the 60-acre rice cultivation at Annandale. The movement has planned three cadet training programmes for the year and it will sponsor the Forbes Burnham debating competition for schools and youth groups.

Leadership seminars are also part of the programme of the Young Socialist Movement.

The Women's Revolutionary Socialist Movement which also holds its Biennial Convention in August, has an active programme to help strengthen the Party.

Report on Speech

Georgetown GUYANA CHRONICLE in English 31 Jan 86 pp 1, 4

[Text]

The first General Council meeting of the People's National Congress for 1986 began at Sophia yesterday with Party Leader, President Desmond Hoyte detailing five main areas which must be addressed immediately to move Guyana forward to an era of dynamism and prosperity.

The areas for urgent consideration and immediate action were later the subject of lengthy and in depth debate involving members of General Council and specially invited guests including heads and other senior officials of public sector entities and representatives of the trade union movement.

Cde Hoyte told the gathering in his address lasting exactly two hours, there was need for the following five basic areas to receive prompt attention:

- **Improving national discipline;**
- **Protecting and preserving national assets;**
- **Public transport;**
- **The performance of some entities in the State enterprise section; and**
- **The high cost of some food and other basic items.**

In a significant address the Leader of the PNC outlined the function of the General Council (the highest forum in between Congresses), analysed the impact of the functioning of the global economy on Guyana's economic circumstances, and challenged the members of the General Council to find solutions to Guyana's economic problems so that the nation could embark on a period of economic dynamism. President Hoyte emphasised the need for flexible tactics in pursuit of the known goals of the Party.

President Hoyte used the opening of his address to thank retiring Deputy Leader of the Party **Cde Ptolemy Reid**, former Prime Minister and General Secretary of the Party, for his services to the Party and Guyana.

It was explained that **Cde. Reid** had intimated to the Founder-Leader that he wished to retire, but was requested to maintain his position until the 1985 elections were over. **Cde. Reid** campaigned during the elections and re-indicated his wish to retire from his Party posts, but not from politics. **President Hoyte** concluded that Cde. Reid's formal retirement marked a watershed in the history of the PNC.

Turning his attention to the function of the General Council of the Party, **President Hoyte** explained that this organ was concerned with the formulation of policy and should not be the occasion for personal attacks. It was also part of the process of internal democracy of the Party.

Decisions which affect Government policy were discussed fully at this forum. Pointing to the fact that even non-Party members were invited to attend the General Council, such as trade unions, the President said that participants had a duty to raise those matters which affect them.

Referring to the Hans Christian Andersen story in which the little boy was the only person to say exactly what he saw while the majority of those pointed to the emperor's wonderful suit of clothes, the President exhorted the General Council to be frank about the issues facing the nation.

Cde Hoyte also analysed the global economy noting that it continued to function in a way detrimental to developing countries such as Guyana.

Developing countries, he noted, continue to be affected by how commodity prices — those of sugar, rice and bauxite, included — which continue to plummet.

There was little Guyana could expect from the global economy, he said.

And, contending that Caricom's economic fate was crucial to Guyana as a member of that grouping, President Hoyte pointed out that there had been an intensification of the contraction of inter-regional trade due to the decline in the level of economic activity. This resulted in protectionist measures which further exacerbated the situation.

And, dealing with the local situation, he noted that while Guyanese have survived because of their ingenuity, courage and good sense of humour, he stressed that Guyana must now move from a position of having just survived to that of a period of dynamism and progress.

Ideology was a guide to action. One could not go forever offering phrases to people. People only believed in an ideology when they saw what it could achieve.

EXAMPLES

President Hoyte referred to the historical examples of nations pursuing bold and flexible initiatives in times of great economic difficulty, including the example of the USSR under the new economic policy of 1924.

Cde Hoyte spoke about the need for the Party to constantly review its tactics and, if necessary, its strategies, taking into account the particular circumstances while in pursuit of its objectives which must remain constant.

He stressed that there will be need for flexibility. Guyana would have to be ingenious and sometimes unorthodox in the things it did. In addition, Guyana will have to take some bold new initiatives and adopt a policy which recognises no sacred cows.

There was, the President said, a need to maintain the morale and enthusiasm of the Guyanese people and to maintain a dynamic environment.

ENDEAVOUR

He said there was need for a disciplined collective endeavour involving the Party, the Government, the public and private sectors, co-operatives, trade unions, socio-economic organisations and individuals.

The Government, he added, want initiatives to take place within a formal legitimate framework so that the entire nation may benefit.

And, on the question of individual initiative, Cde. Hoyte noted that while the Government will be encouraging this it does not propose doing so within a framework of a crab-barrel society for individuals must recognise their obligation to society.

And, elaborating on the five basic areas for immediate attention, Cde. Hoyte stressed that the foundation for success in whatever Guyanese did must be the strengthening of national discipline entailing, among other things, a systematic and planned approach to our work, dealing effectively with waste which occurs in various ways including thefts and carelessness.

ASSETS

The Local Democratic Organs and citizens of this Republic are enjoined by the Constitution to preserve national assets.

President Hoyte enjoined General Council to come up with recommendations for dealing with the serious problem of transportation, whether the economy could continue to carry non-strategic enterprises which fail to generate surpluses, and the high prices of basic food items.

Cde Hoyte noted that Guyana has shown the world that we can survive on our own resources but that while there has been an increase in the production of vegetables and fruits we find the phenomenon of high prices with some vendors preferring to dump produce rather than lower their prices.

At the same time, he added, Guyana has become a smugglers' paradise and smuggling continues to have widespread and deleterious effects on the national economy.

General Council, he said, should be brutally frank in dealing with these problems.

Report on Council Session

Georgetown SUNDAY CHRONICLE in English 2 Feb 86 p 1

[Article by Courtney Gibson]

[Text]

THE General Council of the People's National Congress is scheduled to conclude its meeting today after four days of deep debate and discussions the highlights of which have been two major presentations, each lasting two hours, by Party Leader President Desmond Hoyte.

The meeting began at Sophia on Thursday and the tone was set immediately by Cde Hoyte who spoke about the need for new and bold initiatives to be undertaken by the Party and the Government it leads and who detailed five main areas upon which attention must be focused immediately to move Guyana forward to an area of dynamism and prosperity.

The current meeting is the first for this year and the first since the December 9 presidential, general and regional elections.

Several new faces are in evidence at the meeting and a few minutes were set aside Friday afternoon for the new members of the Council to introduce themselves.

In the words of General Council Chairman Dr Mohamed Shahabuddeen, Cde Hoyte's address on the opening day was refreshing and invigorating. It was also one of the profoundest presentations made to General Council, the highest decision-making forum in between Congresses of the Party, and a forum for vigorous, constructive and honest debate.

Cde Hoyte's first presentation which was made in the presence of scores of special invitees including the heads and other senior officials of public sector entities and of the trade union movement, generated in depth and deep debate with several persons advancing suggestions for tackling the problems and issues of the day.

These included the need for strengthening national discipline, the protecting and preserving of national assets, the state of public transport, the performance of some entities in the state enterprise sector, and the high cost of some food and other basic items.

Much of the time on the second day was devoted to detailed discussions on the performance and state of the national economy. These discussions were led by Deputy Prime Minister, Planning and Development, Cde Haslyn Parris who spent some time reviewing the performance of corporations and companies in the public sector.

Yesterday, following Cde Hoyte's second major presentation to the Council during which he dealt with a wide spectrum of internal Party matters, the meeting multiplied itself into ten regional groups to consider the Leader's presentation as a basis for refining their developmental programmes for 1986.

The ten regions will each submit their reports and recommendations today.

From all indications, the current General Council meeting will go down in the records as one of the Party's most significant in terms of dealing with the issues at hand and taking advantage of the prevailing circumstances to facilitate the new era of dynamism and prosperity Cde Hoyte spoke about in his profound presentation which lasted two hours, almost to the second, last Thursday.

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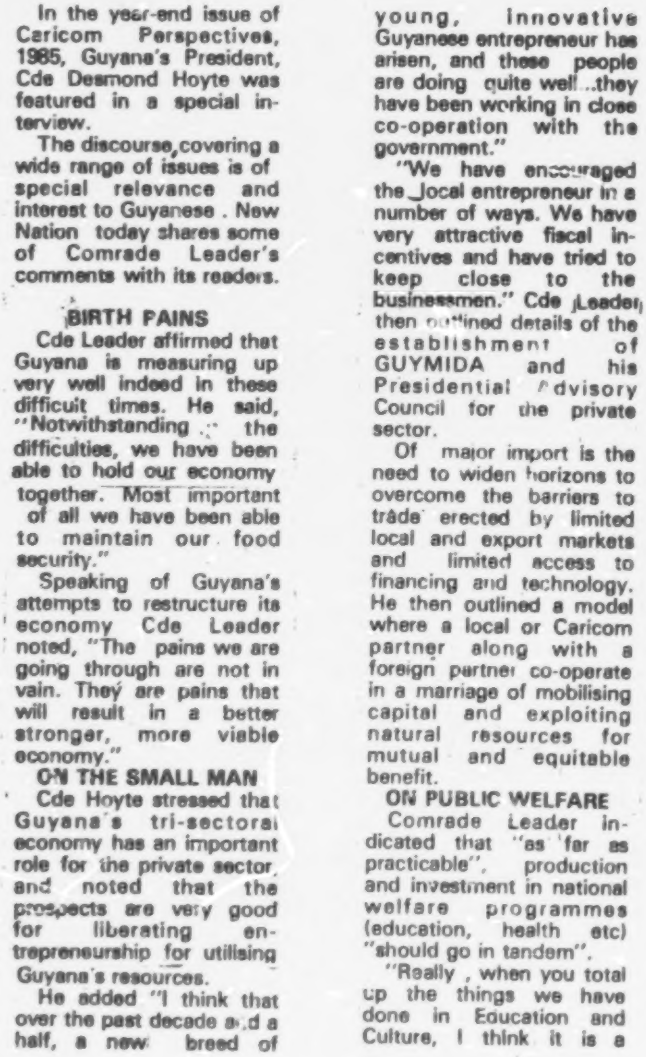
CSO: 3298/343

HOYTE COMMENTS ON VARIETY OF DOMESTIC ISSUES

Georgetown NEW NATION in English 26 Jan 86 pp 1, 8

[Text]



In the year-end issue of Caricom Perspectives, 1985, Guyana's President, Cde Desmond Hoyte was featured in a special interview.

The discourse, covering a wide range of issues is of special relevance and interest to Guyanese. New Nation today shares some of Comrade Leader's comments with its readers.

BIRTH PAINS

Cde Leader affirmed that Guyana is measuring up very well indeed in these difficult times. He said, "Notwithstanding the difficulties, we have been able to hold our economy together. Most important of all we have been able to maintain our food security."

Speaking of Guyana's attempts to restructure its economy Cde Leader noted, "The pains we are going through are not in vain. They are pains that will result in a better stronger, more viable economy."

ON THE SMALL MAN

Cde Hoyte stressed that Guyana's tri-sectoral economy has an important role for the private sector, and noted that the prospects are very good for liberating entrepreneurship for utilising Guyana's resources.

He added "I think that over the past decade and a half, a new breed of young, innovative Guyanese entrepreneur has arisen, and these people are doing quite well...they have been working in close co-operation with the government."

"We have encouraged the local entrepreneur in a number of ways. We have very attractive fiscal incentives and have tried to keep close to the businessmen." Cde Leader then outlined details of the establishment of GUYMIDA and his Presidential Advisory Council for the private sector.

Of major import is the need to widen horizons to overcome the barriers to trade erected by limited local and export markets and limited access to financing and technology. He then outlined a model where a local or Caricom partner along with a foreign partner co-operate in a marriage of mobilising capital and exploiting natural resources for mutual and equitable benefit.

ON PUBLIC WELFARE

Comrade Leader indicated that "as far as practicable", production and investment in national welfare programmes (education, health etc) "should go in tandem".

"Really, when you total up the things we have done in Education and Culture, I think it is a pretty good record", and commenting on health developments. "All of these things have had a dramatic impact on people's lives", Cde Hoyte concluded, "I think that the expenditure is very well justified and has had a lot to do with people's attitudes to work, to understanding of the problems, of what they should be doing in the society, to the economy. It has been really one of the facotrs which have helped to maintain really tranquil conditions".

Commenting on the institutional bases for co-operativism, which has been articulated for Guyana's development, Comrade Leader said, "I think we did not insist sufficiently on people putting in their own resources. We thought that if Government put in the resources, that was fine; they would move. But I think that's a mistake for Government to supply all or the preponderant part of the resources for any co-operative..."

Cde Hoyte singled out the fisheries industry as one area in which co-operativism has thrived in Guyana. This is due mainly to the independence of the industry and initiative of fishermen, and partly to the fact that the successful co-operatives have been those "where people put in their own resources and Government has played a peripheral role in encouraging them."

ON TRANSFORMATION

Cde Leader paid tribute to Founder Leader Forbes Burnham for setting the stage for Guyana's economic and social transformation by solving the political problems of independence.

He stated, "I think his great contribution was that he gave people a sense of nationality, he gave them pride and confidence, and he instilled in them an understanding that the development of this country is a task for them".

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GUYANA

UNIONS VOICE SUPPORT FOR ADMINISTRATION POLICIES

PNC-Affiliate Activities

Georgetown NEW NATION in English 26 Jan 86 pp 2, 3

[Text]

In an invited comment, **Cde Norris Witter**, General President of the General Workers' Union outlined the union's activities and said, "Whatever gains are achieved can only be maintained through the political guidance of the people." Thus the union has found it necessary to use its influence and direct not only employees, but through diversified programmes, to also include employers as well in activities geared to narrow the existing gap between urban and rural workers.

The union has seen this need for closer relationship as one way of removing the stigma that is felt among the different groups.

Included in the G.W.U.'s programme of activitities are a number of educational tours through which it is hoped, the union will seek to integrate cultures.

In addition to stepped up industrial relations, **Cde Witter** said that his union has listed high in its programme of activities ideological education.

This work load will be shared equally by the union and the employer. The G.W.U. will also mount a series of seminars in those regions where the union is the bargaining agency.

The Guyana Labour Union, too is using its responsibility to workers to fulfil the task given it by President **Hugh Desmond Hoyte** in his capacity as President General of the G.L.U. when he addressed the inaugural meeting earlier this month

In that address **Cde Hoyte** told the G.L.U. members that they must go into the field, factory and office to ensure that all the unorganised are organised.

Cde Carvil Duncan, General Secretary of the Guyana Labour Union, said that based on the call by **Cde Hoyte**, the G.L.U. has worked out a programme geared to accommodate all the features necessary to adhere to the call.

Commencing next Sunday the G.L.U. will mount a series of meetings in all the branches.

Cde Duncan explained that the G.L.U. has planned an educational programme and has already contacted related organisations advising them on the joint educational programmes planned for this year.

These sessions will seek to improve the skills of employees while the ideological training programme is geared to improve the ideological consciousness of workers. Added to the two areas mentioned the Union also plans to hold symposia on topical issues. In this case a wide cross-section of the people would be involved.

The Guyana Teachers' Union is also holding the line in its pursuit to stand up for Guyana in 1986 and has intensified its programme of activities.

It was disclosed that in an effort to upgrade the skills and quality of teachers the G.T.U. has planned commencing July, upgrading courses in mathematics, reading and science on a countrywide basis to improve the competence of teachers who have no more than five years of trained service.

These seminars are to be facilitated by the Ministry of Education and the Canadian Teachers' Federation.

There is also the upgrading courses for nursery and primary school teachers assisted by the Teachers Training College to assist them to get into college.

Starting this year also is the Teachers Intermediate Examination which replaces the End of Third and Fourth Year Examinations.

Cde Richard Persico, General Secretary of the G.T.U. said that all of the unions' efforts are directed to the area of standing up for Guyana in that "we go from branch to branch and preach the gospel — we are one with the President and the Prime Minister of Guyana."

Cde Persico said it is important that a positive attitude to punctuality and high standards begin at school. This can only be achieved if the teachers are moulded along those lines.

TUC Plan

Georgetown SUNDAY CHRONICLE in English 26 Jan 86 p 9

[Article by George Barclay]

[Text]

THE Guyana Trades Union Congress has agreed on a 15-point Action Programme for implementation this year. The plan includes a review of relationships among affiliates and the defining of a basis for a better relationship with the Government.

Trades Union Congress General Secretary Joseph Pollydore said that the significant document was agreed on at last Wednesday's executive meeting.

That meeting also discussed what are the likely effects of the National Budget which is in the process of preparation, incentive schemes for 1986 and Guystac Travelling Allowances. Speaking to the **Sunday Chronicle** yesterday, Cde. Pollydore disclosed that the T.U.C.'s Economic Research Committee has since met State Planning officials and discussed the budget.

But, he could not divulge any information on the matter since it was essential that all matters pertaining to the National Budget be not made public until the presentation of the Budget in the National Assembly.

The T.U.C. General Secretary said that the Executive meeting on Wednesday also discussed the delay in payment of the Guystac Travelling Allowances as agreed between the T.U.C. and Guystac.

According to Cde. Pollydore, "several affiliates concerned have made representations to the T.U.C. insisting that there should be no further delay in payment."

The veteran trade unionist said that the T.U.C. hopes to raise the question of the delay in payment of the Guystac Travelling Allowances with the Finance Minister tomorrow. Comrade Pollydore explained that the T.U.C. is expected to meet Senior Minister of Finance Carl Greenidge tomorrow to discuss a number of matters.

The 15-point action programme for implementation this year includes — labour legislation; wages and salaries package negotiations; National Insurance; Annual Delegates' Conference; May Day arrangements; Enmore Martyrs' Day; review of organisational relationship among TUC/ Affiliates; relationship with the Government; Trades Union Youth Movement; financial position of the Trade Union Movement; Voice of Labour; production and productivity; industrial relations; recruitment of new members and education.

Worker-Participation Plan

Georgetown GUYANA CHRONICLE in English 28 Jan 86 p 4

[Text] EXECUTIVE Chairman of the Guyana Electricity Corporation Joe Holder yesterday stressed that Workers Participation in Management is a valuable system which leads to the greater production and productivity of a work place.

The Executive Chairman stressed the fact while declaring open a three-day Participation in Management seminar at the Ministry of Education Training Division, Kingston, which is being sponsored by the Ministry in collaboration with the Guyana National Printers.

Comrade Holder went on to say that some people however, see talks and meetings as not being productive work and thus claim that they are not worthwhile and should be kept short. "There is a need to convince these people that meetings such as this are worthwhile, and that they lead to greater production" he said.

Comrade Holder told the participants that they should relate to Article 15 Part 4 of the Constitution of the Co-operative Republic of Guyana, which states: "National economic planning shall be the basic principle of the development and management of the economy. It shall also provide continuous opportunities for the working people to exercise initiative and to develop a spirit of creativity and innovation."

The Chairman also pointed out the relevance of Article 16 which states;

"Co-operativism in practice shall be the dynamic principle of socialist transformation and shall pervade and inform all interrelationships in the society."

Comrade Holder, who pointed out that the constitution should be referred to more often, urged participants to remember that they are part of a large effort in the society to develop co-operativism.

He closed by wishing participants a pleasant seminar, stating that soon corporations would be able to sit and discuss and compare their workers' participation in management seminars.

The objectives of these seminars are to sensitise workers to understand the concept of workers participation in management, to create an awareness of the need for workers participation to enhance national development, and to assist workers to formulate a system of workers' participation in keeping with the needs of their organisation.

The next workers participation in management seminar is expected to take place on January 30 and 31 in Region Six, and will involve the Guyana Transport Services Limited.

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GUYANA

NEW GOVERNMENT SYSTEMS, DUTIES OF LEADERS REPORTED

Cabinet Meetings

Georgetown GUYANA CHRONICLE in English 28 Jan 86 p 1

[Text]

A new arrangement is being put in place whereby the Cabinet will meet fortnightly instead of weekly as in the past.

At these fortnightly meetings, the Cabinet will deal with matters of policy leaving the routine business to be dealt with by the Supervisory Councils.

Members of the Cabinet, apart from President Desmond Hoyte, Prime Minister Hamilton Green, Vice-Presidents Mohamed Shahabuddeen, Ranji Chandisingh and Viola Burnham, will include Deputy Prime Ministers Haslyn Parris and Robert Corbin.

Senior Ministers Rashleigh Jackson, Carl Greenidge, Seeram Prashad and Winston Murray are also Members of Cabinet.

Meanwhile, President Hoyte's responsibilities will include Home Affairs, Co-operatives and Regional Development.

Streamlining Measures

Georgetown GUYANA CHRONICLE in English 29 Jan 86 pp 1, 5

[Text]

A NEW arrangement to further streamline the conduct of Government business has been put in place. Pivotal to the new approach will be fortnightly meetings of the Cabinet combined with a structure which groups Government activities under the supervision of Vice-Presidents and Deputy Prime Ministers.

The new supervisory system removes the need for the Cabinet to meet as frequently as it did in the past when it met weekly. And in keeping with the new arrangement at its fortnightly meetings, the Cabinet will deal with matters of policy leaving the routine matters to be dealt with within the framework of the supervisory system.

Constitutionally, the President, the Prime Minister and all Vice-Presidents are Members of the Cabinet and the President has the authority to appoint other Ministers of the Government as Members of the Cabinet.

The President may also invite other Ministers of the Government to attend meetings of the Cabinet, though not members of the Cabinet.

Acting in accordance with the powers conferred upon him, **President Desmond Hoyte** has appointed Deputy Prime Ministers **Haslyn Parris** and **Robert Corbin** as members of the Cabinet. He also appointed Senior Ministers **Rashleigh Jackson** — Foreign Affairs; **Carl Greenidge** — Finance; **Seeram Persaud** — Transport: and **Winston Murray** — Trade — as members of the Cabinet.

Meanwhile, in order to help members of the public understand clearly the areas of responsibilities of the President, the Vice-Presidents, the Deputy Prime Ministers and the Ministers of the Government, starting today and continuing daily, the **Chronicle** will publish the relevant details.

President's Responsibilities

Georgetown GUYANA CHRONICLE in English 29 Jan 86 p 1

[Text]

PRESIDENT Desmond Hoyte, S.C. has been charged with all responsibilities not assigned to any Minister and will also be responsible for the following matters and groups of matters falling under the relevant Ministries/ Departments:

Cabinet Matters — Office of the President and the Cabinet Secretariat;

Defence and Territorial Integrity of Guyana — Guyana Defence Force;

National Security — Guyana People's Militia;

National Service — Guyana National Service;

Public Corporations — Department of Public Corporations;

Foreign Aid, International Economic Co-operation — Department of International Economic Co-operation;

Co-operatives and Co-operative Education — Ministry of Co-operatives and Kuru Kuru Co-operative College;

Regional Development and Friendly Societies — Ministry of Regional Development;

Amerindian Affairs, Craft Production and Design — Craft Production and Design Division;

District Administration Municipalities and Local Authorities — Department of Local Government;

Valuation — Valuation Division;

Water Resources — Guyana Water Authority;

Water Supply and Waste Water Disposal — Georgetown Sewerage and Water Commissioners;

Bauxite Mining — Guyana Mining Enterprise Ltd., and the Bauxite Industry Development Company.

Gold Mining — Guyana Gold Board;

Precious Minerals and Semi-Precious Minerals Mining — Guyana Geology and Mines Commission;

Sugar Industry — Guyana Sugar Corporation, Guyana Liquor Corporation Ltd and its subsidiaries, Demerara Distilleries Ltd and Seals and Packaging Industries Ltd;

Sugar Industry Committees — Sugar Industry Labour Welfare Fund Committee and Sugar Industry Price Stabilisation and Rehabilitation Fund Committee;

Maintenance of Public Safety and Order — Public Holidays, Administration of Road Traffic, Immigration, Gambling Prevention —Ministry of Home Affairs and Police Department.

Fire Protection — Fire Protection Service;

Prisons — Prisons Department;

National Registration — Registration and Elections Office;

Elections — (National Assembly and Local Democratic Organs);

Issue of Marriage Licences and Registration of Births, Deaths and Marriages— Registrar General Office.

Finance Subcommittee

Georgetown GUYANA CHRONICLE in English 30 Jan 86 pp 1, 5

[Text]

A FINANCE committee which has among its functions the supervision of the preparation and implementation of the National Budget, has been established in agreement with the Cabinet.

To be known officially as the 'Cabinet Finance Sub-Committee' it comprises Deputy Prime Minister, Planning, Cde. Haslyn Parris, Finance Minister, Cde. Carl Greenidge, Trade Minister, Cde. Winston Murray and Parliamentary Secretary in the Office of the President, Cde Azamuddeen Habibullah.

Four persons have been named to advise the committee, which was established in accordance with the Constitution of Guyana. They are: **Cde Patrick Farnum,** Auditor General, **Cde. Joseph Simmons,** Secretary to the Treasury, **Cde Pat Matthews,** Governor of the Bank of Guyana and **Cde Winston Lynch,** Financial Director of Guystac.

The full range of the Committee's functions are as follows:

- To exercise general supervision of the financial offices of the State.
- To oversee and monitor the financial systems, mechanisms, procedures and performance of both Central and Local Government agencies including Corporations, boards and other entities established by the Government.
- To institute, monitor and enforce systems of financial control and discipline throughout the service of both Central and Local Government, including the service of corporations, boards and other agencies established by Government.
- To oversee the preparation and implementation of the National Budget.
- To exercise such general authority and take such corrective action as may be necessary to enable it to discharge the aforementioned responsibilities.

The importance of the establishment of this committee must be seen against the background of the Government's avowed efforts to improve the efficiency of the government and the management of the economy.

Prime Minister's Duties

Georgetown GUYANA CHRONICLE in English 30 Jan 86 p 1

[Text]

PRIME MINISTER Hamilton Green is now responsible for a number of Ministries and Departments, as published in an extraordinary issue of the Official Gazette published on January 18.

According to the Gazette the Prime Minister will be responsible for the following matters and groups of matters:

Roads -- planning, design, construction and maintenance. (Roads Division, Hinterland Road Construction Co. Ltd.

Works and Construction -- (Building Division)

Government buildings (including quarters and their location) -- Construction Management Combine; Ayanganna Consultants, Ltd.; Guybridge Civil Engineering Co. Ltd.;

Mechanical equipment -- Mechanical Division; Plant Maintenance and Hire Division; Machinery Procurement Committee;

Electrical inspection -- Electrical Inspection Division.

Materials testing -- Materials Division;

Hydrometeorology -- Hydrometeorological Division; Communications

National Emergencies -- Post Office Corporation Emergency Commission; Supervisory Council for the Utility Entities, Chairman -- Guyana Telecommunication Corporation, Guyana Electricity Corporation, Guyana Airways Corporation, Guyana Transport Services, Ltd.

He is also responsible for supervising the Ministry of Communications, the Ministry of Manpower, Housing and Environment, the Ministry of Health, the Ministry of Information and the Public Service Ministry.

Shahabuddeen's Duties

Georgetown GUYANA CHRONICLE in English 31 Jan 86 p 4

[Text] Vice-President First Deputy Prime Minister and Attorney General Dr. Mohamed Shahabuddeen is now responsible for a number of matters and groups of matters as published in an extraordinary issue of the Official Gazette published on January 18.

Dr. Shahabuddeen will be responsible for the following matters and group of matters:

All legal matters save where by law exclusively assigned to another authority (Ministry of Justice, Attorney General's Chambers, Deeds Registry, State Solicitor, Public Trustee and Official Receiver's Department).

Supervisory Council for Commercial Companies (Group 1)--Chairman (Guyana Stores Ltd., Guyana Oil Company, Ltd. Demerara Sugar Terminals, Ltd, Guyana National Shipping Corporation, Ltd., Leather Crafts, Ltd., Savannah Industries, Ltd. Guyana National Printers Ltd., Guyana National Trading Corporation Ltd, Guyana Pharmaceutical Corporation, Ltd., Guyana Stockfeeds, Ltd., Guyana Soap and Detergent Company, Ltd, and National Paint Company Ltd.

[In its issue of 1 February, page 1, the GUYANA CHRONICLE notes that "In response to an observation made by a reader, the Chronicle wishes to point out that in addition to the duties listed in yesterday's edition of this newspaper, Vice-President, First Deputy Prime Minister and Attorney-General Dr. Mohamed Shahabuddeen OE, SC, MP is also responsible for giving general assistance to the President."]

Chandisingh Responsibilities

Georgetown GUYANA CHRONICLE in English 1 Feb 86 p 4

[Text]

VICE-PRESIDENT, National Mobilisation, and Deputy Prime Minister Cde Ranji Chandisingh M.P. is responsible for the following matters and groups of matters falling under the relevant Ministries-Departments:

National Mobilisation -- Ministry of National Mobilisation

Mobilisation of Women for development and progress -- Women's Bureau

All matters relating to the well-being of women, young persons and children and their development and advancement, including the implementation of articles 28, 29 and 30 of the Constitution.

Funds established by or under any written law exclusively for the benefit of women, young persons or children.

Ideological education -- Cuffy Ideological Institute Adult Education -- Workers' Education Unit National events and ceremonies -- National Events and Ceremonies Division.

Viola Burnham's Duties

Georgetown GUYANA CHRONICLE in English 3 Feb 86 p 5

[Text] Cde. Viola Burnham, O.R., M.P. Vice-President Education and Social Development and Deputy Prime Minister is responsible for the following Ministries/Departments according to an Extra-ordinary issue of the Official Gazette published last month.

Education...Nursery, primary, secondary, technical, and vocational, and overseas examinations--Ministry of Education and Social Development, Carnegie School of Home Economics, Government Technical Institute, New Amsterdam Technical Institute.

Loans to students--Guyana Industrial Training Centre, Cyril Potter College of Education, Lillian Dewar College of Education.

Schools broadcasts--In-service Teachers Training Programme.

Higher education--University of Guyana.

Adult education--Critchlow Labour College, Adult Education Association.

Probation--Department of Probation and Welfare Service.

Youth Development--Department of Youth and Sport.

Sport--Youth Division, National Sports Development Council.

Cultural Aqfairs--Department of Culture, National Cultural Centre, Burrowes School of Art, National School of Dance, National Dance Company, National Trust.

Museum--Guyana Museum.

Libraries--National Library.

Archives--National Archives.

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PAPER COMMENTS ON OPPOSITION 'UNPATRIOTIC' COALITION

Georgetown GUYANA CHRONICLE in English 28 Jan 86 p 4

[Editorial]

[Text]

A PATRIOTIC organisation must support the aims of a state and nation. An unpatriotic organisation defames the nation of which it should be a part.

The recently formed or re-formed Patriotic Coalition for Democracy is in the latter category. It is not a patriotic organisation. This organisation has done its best, in the very short period of its existence, to give a negative impression of Guyana. It is therefore decidedly unpatriotic.

Since the PCD consists of five of the six parties which were defeated at the last elections and the leaders of two established churches in Guyana, it is very easy to guess what its aims and objectives are. Incidentally, if the leader of an established church had had his way, the PCD would have been formed at least three years ago.

Since its creation, the PCD has conducted a number of meetings in different parts of Guyana. The Government gave its permission. No one attempted to, and nothing was done to hinder the PCD from doing so. The PCD has enjoyed the right of freedom of assembly and expression, but yet contends that it does not benefit from the attributes of a democratic state.

But Guyana was soon tired of the PCD. Their impact was minimal and the people were daunted by their stale rhetoric. The PCD, or rather members of this motley group, have taken their show to the Caribbean. We warn the PCD that nothing much will come out of their circus. The Caribbean governments will not be convinced by their disinformation and may even tell them that Guyanese problems will have to be solved by Guyanese.

It is rather sad that while Guyanese are more and more addressing themselves to, and are participating in efforts to resolve our economic problems, they should be offered a minor distraction in the form of the PCD. It is certain that the PCD will not last. The respective parties will soon understand that the restoration of our economy is the essential task.

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IDB TEAM DEPARTS FOLLOWING 'FRUITFUL DISCUSSIONS'

Georgetown GUYANA CHRONICLE in English 29 Jan 86 p 1

[Text] A THREE-MAN delegation from the Washington-based Inter-American Development Bank (IDB) flew out of Guyana yesterday afternoon after "fruitful discussions" with local officials, a source from the Ministry of Finance said.

According to the source, the IDB team was particularly impressed with the development projects for which joint financing by the IDB and the Guyana Government is being considered.

Among areas discussed were an agricultural credit project for which a loan of about $15,5 million (US) is expected from the IDB, development of the Tumatumari hydro-power facilities, rehabilitation of part of the Georgetown Hospital and the Georgetown water and sewerage system.

The development of the dairy industry, upgrading of port facilities in the country and the strengthening of the primary education system also received attention.

It is understood that a number of follow-up missions from the IDB are expected in relation to the projects discussed this week.

According to the IDB representative in Guyana, **Manuel Aristy**, the IDB discusses its projects every three years and missions such as the one which left Guyana yesterday are not "very common."

Since joining the financial institution in 1976, Guyana has received a total of $211,5 million US in loans and grants to assist in its development programme.

At the end of last year about $118,9 million US of loans approved was disbursed.

According to Aristy, more than 56 per cent of such loans had been approved under the soft loan window of the bank, which was established in 1959 to accelerate economic and social development in Latin America and the Caribbean.

The amount of financial assistance to Guyana he said, has increased progressively over the years, with joint projects being undertaken particularly in the fields of agriculture, health, forestry, fisheries and education.

The latest of such ventures is a human development project which was finalised last December when the bank approved a loan of $14,4 million US.

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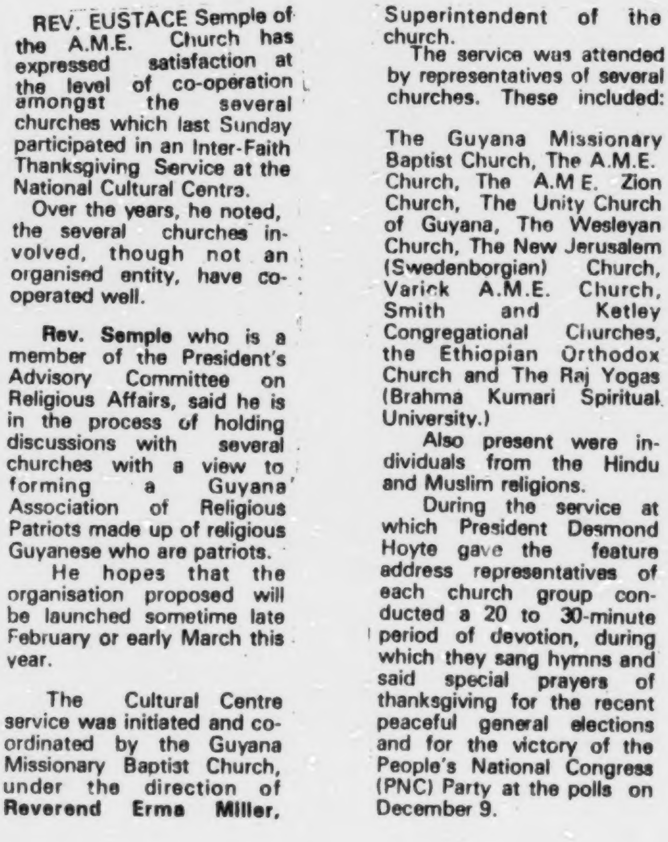
GUYANA

PLANS FOR 'ASSOCIATION OF RELIGIOUS PATRIOTS' NOTED

Georgetown GUYANA CHRONICLE in English 29 Jan 86 p 8

[Text]



REV. EUSTACE Semple of the A.M.E. Church has expressed satisfaction at the level of co-operation amongst the several churches which last Sunday participated in an Inter-Faith Thanksgiving Service at the National Cultural Centre.

Over the years, he noted, the several churches involved, though not an organised entity, have co-operated well.

Rev. Semple who is a member of the President's Advisory Committee on Religious Affairs, said he is in the process of holding discussions with several churches with a view to forming a Guyana Association of Religious Patriots made up of religious Guyanese who are patriots.

He hopes that the organisation proposed will be launched sometime late February or early March this year.

The Cultural Centre service was initiated and co-ordinated by the Guyana Missionary Baptist Church, under the direction of **Reverend Erma Miller,** Superintendent of the church.

The service was attended by representatives of several churches. These included:

The Guyana Missionary Baptist Church, The A.M.E. Church, The A.M.E. Zion Church, The Unity Church of Guyana, The Wesleyan Church, The New Jerusalem (Swedenborgian) Church, Varick A.M.E. Church, Smith and Ketley Congregational Churches, the Ethiopian Orthodox Church and The Raj Yogas (Brahma Kumari Spiritual University.)

Also present were individuals from the Hindu and Muslim religions.

During the service at which President Desmond Hoyte gave the feature address representatives of each church group conducted a 20 to 30-minute period of devotion, during which they sang hymns and said special prayers of thanksgiving for the recent peaceful general elections and for the victory of the People's National Congress (PNC) Party at the polls on December 9.

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GUYANA

PATRIOTIC COALITION FOR DEMOCRACY'S MISSION REPORTED

Barbados, Trinidad Stops

Georgetown CATHOLIC STANDARD in English 2 Feb 86 pp 1, 3

[Text]

THE DELEGATION of the recently formed Patriotic Coalition for Democracy (PCD) that visited some Caribbean Community countries, was due to return home this weekend after what has been described as an "encouraging exercise" to focus on human rights violations in Guyana by the PNC regime.

The delegation, comprising Dr. Cheddi Jagan (PPP), Eusi Kwayana (WPA), Llewellyn John (representing the PDM, DLM and NDF) and later joined by N.K. Gopaul (of NAACIE for unions co-operating with the coalition), started out in Trinidad, before going to Barbados and then to St. Lucia.

Meetings were held with ruling and opposition parties, as well as representatives of trade unions, Churches, business groups and the regional media.

The members of the delegation told the Press that contrary to the impression being given at home by President Desmond Hoyte, there were governments and parties that "remain concerned about human rights in Guyana and to receiving further representations."

At their more than hour-long meeting with the Prime Minister of Barbados, Mr. Bernard St John, on Jan.27, the Barbadian Head of Government reiterated the position of his ruling Barbados Labour Party (BLP) to have a human rights accord being incorporated into the Caricom Treaty, and that "Barbados wants this accord to be supervised by a Caribbean judiciary."

The day before meeting with the PCD's delegation, Mr St John had told the closing session of his BLP of the informal meeting that took place last Sat., Jan. 25. on the island of Mustique and attended by the Heads of Government of six of the 13 Caricom states.

"It was", said Mr. St John, "a frank exchange of opinion, not only on the concerns which have recently been expressed with respect to the elections in Guyana and other activities of that nation, but also about the trading conditions within Caricom..."

The delegation met with the Barbadian opposition leader, Errol Barrow, the following day and clarified a number of issues as reported in the media, following his recent one-day visit to Guyana to meet with Mr. Hoyte.

The delegation said that the discussions held with the executives of both the ruling People's National Movement (PNM) and the four - party National Alliance For Reconstruction (NAR) in Trinidad were as "useful" as those that took place with representatives of trade unions and other civic groups.

In Barbados meetings also were held with top officials of all the regional organisations, headquartered there.

These include the Caribbean Congress of Labour, Caribbean Conference of Churches, Caribbean Association of Industry and Commerce and Caribbean Publishing and Broadcasting Association.

The delegation also addressed a gathering organised by the Barbados-based "Friends of Guyana Committee, and met with the Barbados Christian Council, before leaving for St. Lucia for meetings with political parties, trade unions and other groups.

St Lucia, St Vincent Stops

Georgetown OPEN WORD in English 3 Feb 86 p 4

[Text]

The first leg of the Freedom Mission to the Caribbean undertaken by the Patriotic Coalition for Democracy wound up with visits to St Lucia and St Vincent.

In St Lucia, the PCD delegation met with Prime Minister John Compton as well as with Mr Julian Hunt of the St Lucia Labour Party and Mr George Odlum of the Progressive Labour Party. A joint delegation of the National Youth Council, Civil Service Association, Teachers' Union and National Workers Union and representatives from the St Lucia Workers Union also met with the PCD mission.

In St Vincent, the delegation had a two-hour interview with Prime Minister James Mitchell. Meetings also took place with Mr Hudson Tannis, leader of the opposition, the United Peoples Movement and a joint delegation of trade union representatives which included Mr Burns Bonadie, former head of the Caribbean Congress of Labour.

A welcoming party was organised by the Action Committee of the PCD to greet the delegation on its return from its successful mission in the Caribbean last night.

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GUYANA

RACIAL FACTOR IN NATION'S POLITICS DEEMED BROKEN

Georgetown GUYANA CHRONICLE in English 17 Jan 86 pp 1, 4

[Commentary]

[Text] THE luncheon hosted yesterday by the Islamic Missionaries' Guild International [IMGI] for President Desmond Hoyte, has served to remind us in a timely manner about one of the crucial aspects of the December 9 polls: The back of racial politics has been broken in Guyana.

For indeed, the back of that monstrous fellow which plagued our national life in the early sixties and continued for some while to be exploited by shortsighted and narrow-minded politicians, as they imperilled the prospects for national unity and national progress, has been broken.

This was evident from remarks made at yesterday's luncheon by both the IMGI President, Cde Nasir Khan and President Hoyte.

As President Hoyte put it in his remarks: "We have matured in this country to a stage in which in our political life, we can separate the chaff from the grain; we can differentiate between matters of substance and irrelevancies and that is why I was able to say with great confidence and accuracy and truth that the last elections we have gone through have destroyed forever the politics of race in the Co-operative Republic of Guyana."

That in a nutshell is one of the features of Guyanese political life which many politicial pundits — local and overseas - who seek to pontificate seem not to have realised and which the opposition groups would rather not be widely known.

The writing was on the wall long before the December 9 elections. But there is none so blind as he who will not see. For over the years, while others pinned their hopes upon support based on ethnicity, the People's National Congress, under the astute leadership of Founder-Leader Forbes Burnham, worked amongst the people of all races, all religions and other persuasions in its bid to weld the Guyanese society into a cohesive whole.

There was little wonder therefore that by the time the PNC, under the new leadership of Hugh Desmond Hoyte, went to the polls on December 9, there was an evident groundswell of support for him and the PNC. This support, as the records show, flowed from among others, the major Muslim organisations such as the Islamic Missionaries' Guild International, The Guyana United Sad'r Islamic Anjuman, The General Council of Islamic Brotherhood, The Sad'r Islamic Council and from the major Hindu organisations such as The Guyana Pandits Council and Hindu Parishad, The Sanatan Dharma Maha Sabha and The Guyana Maha Kali Religious Organisation.

There was of course, also support from bodies such as the Guyana United Apostolic Mystical Council, The Ethiopian Orthodox Church, The Church of God, The Guyana Missionaries' Baptist Church, The AME Church and the New Jerusalem Swedenborgian Church.

When the thousands turned out on the Essequibo Coast and elsewhere such as in Region Three to greet their new President and pledge support for and make donations to the PNC, one opposition party, reading the writing on the wall, tried to suppress the truth and said the PNC had rented the crowds.

And, by the end of the President's visit to Corentyne and the rest of Region Six, where the PPP would have the world believe that because of the ethnic composition of the population, it has a virtual monopoly of the votes, the opposition was left dumbfounded and thrown into chaos. For such was the outpouring of support for and goodwill towards Hugh Desmond Hoyte, the PNC and the Government.

Unfortunately today, more than five weeks after the elections, there are still some who rather than organise to take their parties across the racial barriers they are yet to cross, remain in their dream world apparently refusing to believe that the back of racial politics has indeed been broken in Guyana.

We hope they awake to this reality sooner than later.

/9274
CSO: 3298/343

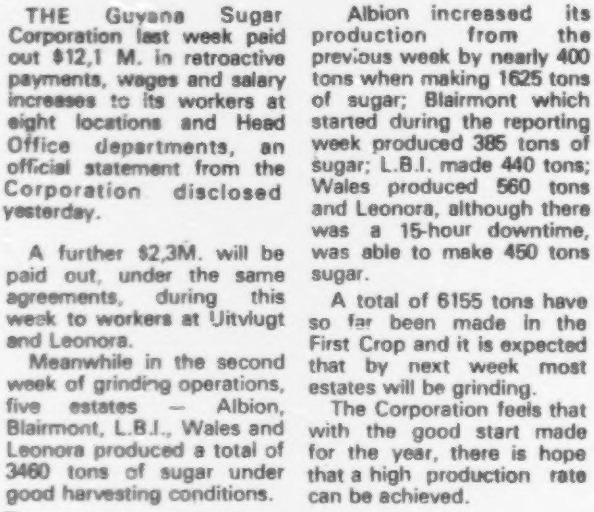
GUYANA

SUGAR WORKERS GET BACK PAY; DISMISSALS PROTESTED

Retroactive Payments

Georgetown SUNDAY CHRONICLE in English 19 Jan 86 p 1

[Text]



THE Guyana Sugar Corporation last week paid out $12,1 M. in retroactive payments, wages and salary increases to its workers at eight locations and Head Office departments, an official statement from the Corporation disclosed yesterday.

A further $2,3M. will be paid out, under the same agreements, during this week to workers at Uitvlugt and Leonora.

Meanwhile in the second week of grinding operations, five estates — Albion, Blairmont, L.B.I., Wales and Leonora produced a total of 3460 tons of sugar under good harvesting conditions.

Albion increased its production from the previous week by nearly 400 tons when making 1625 tons of sugar; Blairmont which started during the reporting week produced 385 tons of sugar; L.B.I. made 440 tons; Wales produced 560 tons and Leonora, although there was a 15-hour downtime, was able to make 450 tons sugar.

A total of 6155 tons have so far been made in the First Crop and it is expected that by next week most estates will be grinding.

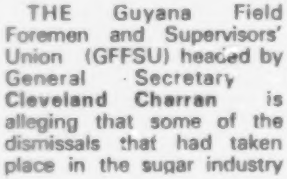
The Corporation feels that with the good start made for the year, there is hope that a high production rate can be achieved.

[A follow-up report in the SUNDAY CHRONICLE of 26 January, page 12, notes that a "first-crop target" of 124,000 tons has been projected by GUYSUCO.]

Union Protest

Georgetown GUYANA CHRONICLE in English 29 Jan 86 p 3

[Text]



THE Guyana Field Foremen and Supervisors' Union (GFFSU) headed by General Secretary **Cleveland Charran** is alleging that some of the dismissals that had taken place in the sugar industry over the past 12 months were unjustifiable.

A delegation from the union met Guysuco's Chairman Harold Davis last Thursday and discussed this and a number of matters affecting the union's membership.

According to Cde Charran **Cde Davis** informed the union that the Corporation would not close its eyes to the behaviour pattern of its employees in the sugar industry where discipline and honesty are concerned.

Charran said that the chairman however gave the assurance that those matters which deserve consideration would be examined.

As a result, he instructed the Chief Industrial Relations Manager of the Corporation Cde. **D.P. Sankar** to look into complaints without delay.

/9274
CSO: 3298/343

ROLE, IMAGE OF PEOPLE'S MILITIA TO BE ENHANCED

McLean Remarks

Georgetown GUYANA CHRONICLE in English 21 Jan 86 pp 4-5

[Text] CHIEF of Staff of the Joint Services **Major-General Norman Mc Lean** has congratulated officers and other ranks of the Guyana People's Militia (GPM) for their sterling performance during last year.

Cde. Mc Lean said he is also extremely confident that members of the GPM will improve on their performance during 1986.

Speaking at the opening of the GPM's Annual Staff Training Programme on Saturday at Base Seweyo on the Linden-Soesdyke highway, the Chief-of-Staff said he is extremely happy about the manner in which training is being undertaken by the GPM.

Training officers complete a one-week training stint before, they in turn train permanent staff members. During their two-week training period, the permanent staff review performances during the previous year so as to better organise themselves to train the reservists.

Cde. Mc Lean pointed out that in 1986 the Militia would have an increasingly important role to play, and urged staff members to work harder to build the numbers, competence, commitment and dedication of the reserve force.

Cde. Mc Lean also outlined a nine-point guide to improve the welfare and morale of soldiers. He stressed the need for meaningful work and training and organised recreation.

Eleven officers and 237 other ranks of the permanent staff are participating in the training exercise.

The training ends on February 1 with a 50-kilometre walk from Timehri to the GPM's national headquarters on Brickdam.

Call on Reserve Officers

Georgetown GUYANA CHRONICLE in English 31 Jan 86 p 8

[Text] COMMANDANT of the Guyana People's Militia (GPM) - **Carl Morgan** has said officers of the organisation must give leadership in every area of work in order to lift the GPM's image in the regions.

Speaking at the Fourth Annual Reserve Officers' Conference at Base Soweyo on the Soesdyke-Linden Highway recently, he noted that the Officer Corps had increased considerably. He, however, expressed the hope that more women would join the GPM at this level.

The GPM now has five female Reserve Officers and has assisted in training one female officer of the Guyana National Service.

The strength of the other ranks was about stable, the Commandant reported, although some reservists enlisted in the Joint Services Recruitment.

Cde Morgan said it is hoped that by improving the image of the organisation, more persons will join, thus enabling the GPM to effectively carry out its role.

The Commandant also urged the sports department to "win all the races this year."

The officers pledged to become more involved in GPM activities with a view to raising the general standards of the Militia.

/9274
CSO: 3298/343

GUYANA

BRIEFS

JAGAN 'REVOLUTION' THREAT--London, Friday (CANA)--Guyana's Opposition leader Dr Cheddi Jagan has again warned of the danger of armed revolution in the country. "The Government of President Desmond Hoyte was soon expected to announce harsh economic measures," Dr Jagan said today on a visit to Britain to raise support for his party, adding: "This could lead to riots." Jagan, general secretary of the leftist People's Progressive Party (PPP), told reporters that if the police used violence to quell unrest, the people of Guyana could start an armed revolution to overthrow the government. But Jagan said his party sought a peaceful revolution. "I believe in mass action. Without that there can be nothing." [Excerpt] [Port-of-Spain EXPRESS in English 22 Feb 86 p 27] /9274

AIRPORT IMPROVEMENTS--Personnel of the Guyana Defence Force and the Guyana National Service yesterday provided valuable assistance to the Civil Aviation Department (CAD) in completing a five-mile long trenching exercise at the Timehri international airport. A CAD release said "in a magnificent display of their commitment to the development of the nation, the Chief of Staff, senior officers and over 1,000 men" of the two organisations exposed the old runway edge lighting cables. This trenching exercise is the first phase of a project to replace the present runway edge lighting system with a new modern system. The project is being financed by the Government of Guyana. The new system, valued at approximately $250,000 (G), has already arrived in the country. The new lighting system will be installed over the next three to four weeks, the release said. The release noted that without the assistance of the disciplined forces the trenching exercise which was finished today would have taken several weeks to complete and would have cost about $21,000. And a senior CAD official praised the efficient manner in which the exercise was carried out by the disciplined forces. [Text] [Georgetown GUYANA CHRONICLE in English 29 Jan 86 pp 4-5] /9274

PRIVATE SECTOR ROLE--Trade Minister Winston Murray yesterday reassured Executive members of the Georgetown Chamber of Commerce and Industry that the Government will continue to provide for the meaningful involvement of the local private sector in economic activities aimed at strengthening of the Guyana economy. This assurance was given yesterday when Executive members of the Chamber paid a courtesy call on the Trade Minister at his Main and Urquhart streets office. The Chamber's Executive, for their part, pledged full co-operation with the Trade Ministry in the search for solutions to the problems with which the Ministry was to grapple. Those present at the meeting were Cde Wainwright McKenzie--President; Cde Charles Quintyn--Senior Vice-President; Cde J. De Freitas--Vice-President and Cde George Fung-on--Senior Executive Officer--all of the Chamber and Cde Patrick Mootoo Permanent Secretary, Ministry of Trade. It was Cde Murray's first meeting with the Executive members of the Chamber since his appointment as Trade Ministers. [Text] [Georgetown GUYANA CHRONICLE in English 29 Jan 86 p 1] /9274

POLICE SURVEILLANCE--WPA's Member of Parliament called on the Commissioner of Police in a recent letter to ensure that WPA members in the Essequibo are free of Special Branch and other police harassment. In his letter of 14th January, he pointed out that under the Guyana Constitution persons were free to support a party of their choice without "undue police harassment". Ms Karen de Souza of the WPA, who just returned from the Essequibo Coast where she has special responsibilities, reported to OPEN WORD that police surveillance on citizens there has increased. A Special Branch policeman reportedly offered Mr Dhanny $1000 to pass on information on the WPA to the police. OPEN WORD sees the possibility of direct threats to the citizens' safety. The letter from the WPA MP ended: "While our supporters attract a great deal of surveillance everywhere, I am concerned abour persecution and harassment of persons who are not in daily touch with our office." [Text] [Georgetown OPEN WORD in English 20 Jan 86 p 2] /9274

WPA OFFICIAL'S TOUR--WPA announced the return to Guyana recently of Andaiye, the party's International Secretary. The leading WPA Central Committee member carried out assignments in the UK and Canada. She had valuable conversations with groups devoted to human rights, the Socialist International and the British Labour Party. The snap nomination day caught her far away from home and GUyanese missed her contribution on the platform of the WPA. [Text] [Georgetown OPEN WORD in English 20 Jan 86 p 2] /9274

CSO: 3298/343

AZCONA SELECTS HEADS OF DECENTRALIZED AGENCIES

Tegucigalpa LA TRIBUNA in Spanish 16 Jan 86 p 6

[Text] The president-elect has nearly completed the list of appointees to the various autonomous government institutions and ministerial posts, although a few have not yet been chosen, according to Jose Azcona Hoyo himself.

According to sources, Jorge Epaminondas Craniotis has been named manager of the National Port Enterprise (ENP). Jack Arevalo Fuentes will head the National Enterprise for Electric Power (ENEE), while the National Housing Institute (INVA) will be directed by Mario Pinto. Jose Gutierrez Navas will lead the Autonomous Municipal Bank, while the National Agricultural Development Bank (BANADESA) will be headed by Armando Erazo. The National Supplier of Basic Products (BANASUPRO) will have Luis Lozano at its head, while the Armed Forces of Honduras has been asked to provide three candidates for the post of head of the Honduran Telecommunications Enterprise, although it would appear that Colonel Jose Serra Hernandez has the greatest possibilities.

It has been established that the General Civil Service Directorate will be guided by Donaldo Valladares and that those named to the board, Jaime Rosenthal, Jose Pineda Gomez and Alfredo Fortin, will officially advice President Azcona Hoyo on the economic, judicial, health, labor, education and social assistance issues.

It has also been announced that Rodrigo Castillo has been confirmed as the minister of natural resources, while Jose Montenegro and Guillermo Arias Cuillen Guillen are named as undersecretaries. Jose Trinidad Oqueli is said to be the next vice minister of public health, while Elisa Valle de Martinez Faveti will head public education. Edmond Bogran will go to the Ministry of Finance, while the National Agrarian Institute will be led by Mario Espinal. The new secretary of culture and tourism will be Arturo Rendon Pineda and Celeo Arias Moncada will be the minister of the presidency. Neptaly Montoya will serve as vice minister of labor and the president's private secretary will be William Hall Rivera.

Among the secretaries of state still needed to fill the post of secretary of government and justice, economy, and labor and defense, the names given are Efrain Bu Giron, Oscar Melara and Colonel Roberto Martinez Avila respectively.

It has also been reported that one of the posts of undersecretary of economy will be entrusted to Dario Hernandez (former manager of the Honduran Agricultural Marketing Institute) and that Guillermo Caceres Pineda, former consul in San Francisco, will be the new vice minister of foreign relations.

11,464
CSO: 3248/226

HONDURAS

INCOMING FUSEP LEADER PROMISES CRACKDOWN ON CRIME

Tegucigalpa LA TRIBUNA in Spanish 16 Jan 86 p 9

[Text] In a speech delivered on the occasion of the 104th anniversary of FUSEP [Public Security Force], Colonel Diego Landa Celano said that "only a month ago, the High Command honored me with appointment to this post" and "I accepted with discipline the honor bestowed upon me."

Landa Celano expressed his "conviction that I will direct all of my actions toward fulfillment of my duty and to the principles of loyalty and dignity that have characterized my life as a soldier in the service of Honduras."

He said he is aware of "the grave responsibility that befalls me in accepting this post at such difficult times for national security, for we can no longer view the problem from the standpoint of the Central American context, which is critical and threatening."

Rather, we must also face "the high rate of crime that has struck our nation, along with certain signs indicating that internal subversion, which has been controlled, has again initiated its isolated activities with acts of robbery and terrorism that are normally backed by outside forces, contrary to the democratic system we enjoy in Honduras."

The year 1985, which has just drawn to a close, was, when judged from the sole standpoint of public security, also violent in Honduras, with acts of serious crimes such as murder, rape, robbery, burglaries, and so on.

Landa Celano then went on to say that "we must agree that the Public Security Force has acted at all times with energy in putting down crime. It has done its utmost to perform its constitutional duty, but as has been said repeatedly, for reasons of a social and economic nature, the police have not been able to expand adequately as demanded by the rising crime rate."

The duty of the police in these times is extremely difficult, he said, and in general, their social work is not understood, for they receive more criticism than recognition. "However," he stressed, "we must be inflexible in the performance of our duty, always acting within the law and with maximum respect for human rights and the dignity of individuals.

"We recognize that on some occasions, there have been police officers who have abused their authority and have committed crimes against the citizenry. In all cases, I have been informed that those responsible have been turned over to the courts for trial and punishment and this will continue to be the case," he said.

"But I would also like to inform you that my men have the right to be defended, especially when accused by persons who have violated the law, persons who take advantage of the right conferred upon them by the constitution, and that the only sin these men have committed has been to defend their own lives in the performance of their duty, in most cases.

"I call upon the Ministry of Public Education so that, by joining together, we may seek common objectives aimed at creating a sense of social responsibility among our children and young people being taught in our schools and colleges. It is the teachers who must establish the moral and civic foundations making it possible to form a healthy conscience in our young people, keeping them safe from vice, corruption and crime, Landa Celano said.

The high official named national enterprises such as Honduran Savings and Rivera and Company, which for years have given the Public Security Force their valuable cooperation in achieving the national objectives we share. "They know of the efforts we are making in the training and discipline of our men."

"We can do little in the performance of our constitutional duty," he said, "if we do not have the determined support of the people, of honest, law-abiding citizens and persons of good will."

Landa Celano told of the concern of the National Crime Prevention Campaign and expressed his desire that "those with the greatest responsibility in the formation of healthy public opinion will hear this appeal and lend the aid we shall need to help the Honduran people and establish democratic institutions."

Finally, he said that he wished "to express the recognition and thanks of the Public Security Force to the president and commander-in-chief of the Armed Forces for the constant support and cooperation he has given to the police in the development of their programs, the improvement of their facilities and the training of personnel. On behalf of all members of the Public Security Force, we promise to do our utmost and carry out our responsibilities with the greatest efficiency. Thank you."

11,464
CSO: 3248/226

JIMENEZ ON CORRUPT JUDGES, SUPREME COURT PLANS

Tegucigalpa LA TRIBUNA in Spanish 29 Jan 86 p 2

[Text] The chief justice of the Supreme Court, Salomon Jimenez Castro, has warned that "corrupt judges had best pack their bags" because he intends, in taking office, to improve the administration of justice in Honduras.

The chief justice also categorically stated that the justices on the court will exclusively be concerned with administering justice and not involved in politics, which will be left to party leaders and their political movements.

"The new Supreme Court of Justice will be totally apolitical. We have come here to administer justice, not to engage in politics, which we shall leave to party leaders and their followers. We are going to work according to the constitution of the republic and its laws," the chief justice said.

Concerning the little or no importance which authorities in the branch and even the police have attributed to personal resources, which has been criticized by human rights defenders, Jimenez Castro said that "the Honduran people may be sure that during my administration, the law of protection will be fully enforced in its application, which is highly liberal.

"There is nothing, absolutely nothing, in the law of protection that can be evaded if it is strictly applied, but in order to be successful, we need the cooperation of other spheres of government," he added.

Relating to any cases that may be pigeonholed before the Supreme Court, Jimenez Castro said that "if there are any, we will immediately get them out and return them to the proper jurisdictions. For our part, we shall not deliberately delay proceedings."

The chief justice, who said that the budget of the Judicial Branch this year is 12 million lempiras, announced yesterday, upon assuming office, that the first action of the Court will be to choose personnel to work in the different courts of the country.

He warned that capable, honest, hard-working people willing to work for the cause of justice will be chosen, for this is what President Jose Azcona Hoyo has requested.

"We are going to discuss changes among judges, but we are also going to see that injustices are not done, because among those currently serving, there are honest citizens who have committed no corrupt act and for whose removal there is no basis, outside of their political ideology," he said.

He added that he was retired but that his pension was suspended because the Foreign Ministry had immediately called upon him to act in an advisory capacity.

Supreme Court magistrates also debated the hierarchical aspect in the Judicial Branch yesterday. The latter grants seniority to Jimenez Castro based on his age and the amount of time exercised in the profession.

11,464
CSO: 3248/204

CHAMBER OF COMMERCE, AZCONA MEET, COOPERATION OUTLOOK POSITIVE

Tegucigalpa LA TRIBUNA in Spanish 29 Jan 86 p 7

[Text] "We are sure that President Jose Azcona Hoyo comes with the best intentions of working for Honduras, for he has clearly said that private enterprise is an important point for achieving the country's development," Emilio Larach, former president of the Tegucigalpa Chamber of Commerce and Industry, said yesterday.

"The members of the Honduran Council of Private Enterprise met with Azcona Hoyo when he was the president-elect and expressed their views to him. What we want is for him to hear the observations we have to make and to work on those matters of national interest to the country," he continued.

The official said that the true businessman is always willing to invest when he sees that circumstances permit it and when a government is headed by a president who truly wants the development of Honduras.

"That is what prompts him to invest and we are sure that Azcona Hoyo comes with the best intentions of working for Honduras, for he has said that free enterprise is a very important point for the national development," he emphasized.

Regarding the question of whether businessmen need to participate in the government, Larach said that "what we are asking is that we be taken into account like other sectors, like the workers and peasants. Actually, we do not want to participate in the government, but our duty is that when the circumstances are such that they do not permit investment, we must say so, so that the defects may be corrected.

"We understand that the new president's economic advisers are aware of these problems, which must be overcome in order to give the investor confidence, he added.

"For a long time, the Chamber and businessman have wanted the politicians to hear them and now that Azcona Hoyo begins his administration, he has the opportunity to invite all sectors to engage in a dialogue and thus help to solve the problems," he noted.

Concerning the announced devaluation of the currency, he said that "the parity of the lempira cannot be maintained with words. We must work. Domestic effort is important and becomes even more important when we know of our dependency and of outside aid.

"We have to work to produce what Honduras consumes and we have to produce in order to export and generate foreign exchange, so that the lempira will maintain its value and not lose the purchasing power of the Honduran people," he concluded.

11,464
CSO: 3248/204

HONDURAS

BRIEFS

RODISMO SUPPORTS AZCONA GOVERNMENT--The Rodist Liberal Movement will support the government of Jose Azcona because to do otherwise would be "to stab ourselves in the back," Deputy Mario Prieto Alvarado, member of the Rodist board, said yesterday. "We have to support Azcona's government because he is a liberal and if we Rodists should lead him to administrative defeat, then we would be defeating ourselves," the political leaded added when interviewed, but before learning of the Azconism-MONARCA [Rafael Callejas National Recovery Movement] negotiations. However, he said that Rodism would continue to work to return to power in 4 years and that Roberto Suazo Cordova would continue to be the movement's top leader. Coordination of the movement will resume on 28 January. "For us, Suazo Cordova continues to be the only leader of Rodism, not only because we trust his intelligence and good faith, but because we know that he understands and practices the philosophy bequeathed to us by Modesto Rodas Alvarado." Prieto Alvarado went on to say that the Rodist leadership is confident that Azcona's aides will not carry out massive layoffs of Rodists working in public administration. "It is not possible that Azcona would make a sweep of public employees, especially liberals, because we Rodists contributed to the victory of the Azcona-ALIPO [People's Liberal Alliance] with 250,000 votes, without which it would never have come to power," he concluded. [Text] [Tegucigalpa LA TRIBUNA in Spanish 17 Jan 86 p 47] 11,464

CORRALES DENIES DISSENSION--Hernan Corrales Padilla, top leader and former presidential candidate of the Honduran Christian Democratic Party (PDCH), said yesterday that it is not true that there is a "split" in that political group over political ambitions. He admitted only that there is some "disagreement" between two fronts at the present time. "There is no split. What is happening is that the PDCH is going through one of its historic periods (the election of its national and local leaders), which is why two fronts have grown up around its leaders, causing a discrepancy," Corrales Padilla said. "Disagreement in the PDCH is part of its democracy," Corrales Padilla added, but he deplored the fact that the situation should be reflected in the National Registry of Persons (RNP). "I hope that the persons they get from that organization and who work with the PDCH, either out of lack of ability or dishonesty, never do so as the result of fighting factions," he observed. He recommended that "there should be fairness among all members, whatever their faction." The fight over power within the PDCH will come to a head in June when, following elections of municipal and departmental boards, there is an election of the new president of the political grouping. At the present time, there are two factions, one headed by Efrain Diaz Arrivillaga, which has nominated Ruben Palma, a newcomer to the PDCH, and another led by Miguel Angel Ortiz, which has nominated the founder of the Fernando Montes Party for the presidency. This has generated a traditional internal struggle within the PDCH, reflected in the stability of Christian Democratic workers in the RNP. [Text] [Tegucigalpa LA TRIBUNA in Spanish 18 Jan 86 p 6] 11,464

CASTRO HEADS PRESIDENTIAL HONOR GUARD--The Armed Forces have named Colonel Rafael Castro Arita as the new chief of staff of the Presidential Honor Guard, the military unit responsible for the personal security of the president of the republic. Castro Arita replaces Colonel Juan Ramon Pena Paz, who headed the Presidential Honor Guard for 4 years. The appointment of Castro Arita came at the request of the new president, Jose Azcona, who chose him from a list of officers presented to him by the Armed Forces. The other candidates for the post were Colonel Wilfredo Sanchez and Colonel Alvaro Romero Salgado. Castro Arita is the brother-in-law of the new president of the National Congress, Carlos Montoya. At the same time, the commander-in-chief of the Armed Forces, General Walter Lopez, announced that effective immediately, a new chief of staff of the Presidential Honor Guard will be named every 2 years, which decision will be part of the normal rotations that take place annually in the military institution. [Text] [Tegucigalpa LA TRIBUNA in Spanish 27 Jan 86 p 8] 11,464

RODAS VICE MINISTER OF PRESIDENCY--President-elect Jose Azcona Hoyo has chosen the daughter of the late leader of the Liberal Party, Ana Joaquina Rodas Baca, as vice minister of the presidency. Rodas confirmed the report last night. She has been serving as general director of social welfare and is the second woman to occupy another high post in Azcona Hoyo's administration. Elisa Valle de Martinez is the new minister of education. Rodas said that she will work to ensure the well-being of the Honduran people, closely echoing the feelings of her father in this. She will work in that office of government with Celeo Arias Moncada, who a few days ago was chosen by Azcona Hoyo as his minister of the presidency. [Text] [Tegucigalpa LA TRIBUNA in Spanish 27 Jan 86 p 8] 11,464

CSO: 3248/204

JAMAICA

PARISH COUNCIL DIVESTMENTS BRING WORKER LAY-OFFS

96 in St Thomas

Kingston THE DAILY GLEANER in English 10 Feb 86 pp 1, 3

[Text]

Ninety-six employees of the St. Thomas Parish Council have lost their jobs as a result of the divestment of the Council's markets and public cleansing department; the work has been given to eight contractors.

With the divestment of the public cleansing department and markets, the Council has completed its divestment programme and no longer has responsibility for road and works, poor relief, public health, water supplies, public cleansing and markets.

Pulic cleansing has now been divided into three zones — East, Central and West.

The Secretary of the St. Thomas Parish Council, Mr. Grant, said the Council would maintain a supervisory position over those areas, ensuring that guidelines for garbage collection were followed. Three garbage trucks, on the directive of the Ministry of Local Government, have been lent to the three contractors, who will maintain the units.

The Parish Council still has full responsibilities for sub-division and building applications, cemeteries, parks and gardens, abattoir and beaches, Mr Grant said. With regards to beaches, Mr. Grant said the Council was aware of the deplorable condition of the public bathing beaches, the Prospect Beach in particular but, despite representations to the Ministry, no funds had been forthcoming to do the necessary repairs and cleaning.

The divestment programme has also affected the Council's administrative staff and so far six have been made redundant. Mr. Grant said that there was the possibility that more administrative staffers would lose their jobs.

140 in Westmoreland

Kingston THE DAILY GLEANER in English 14 Feb 86 p 3

[Text]

The 140 workers employed to the Public Cleansing and Market Departments of the Westmoreland Parish Council will be laid off over the weekend.

Addressing the monthly meeting of the Council on Thursday, Secretary Miss E.G. Innerarity said that the 110 employees of the Public Cleansing Department would be laid off on Friday (today); the divestment of the department being effective on Saturday, when all 30 workers in Market Services would also have their employment terminated.

Consequently, the Council decided that the Savanna-la-mar market be closed for four days effective on Monday to facilitate extensive repairs.

According to Miss Innerarity, under the leave agreement, the Public Cleansing Department would be contracted for six months, at the end of which the agreement would be subject for renewal based on performances.

She however noted that all markets with the exception of the Savanna-la-mar market would be leased for one year. The Savanna-la-mar market would be leased for two years to allow the contractor to cover his repair cost.

/9274
CSO: 3298/344

JAMAICA

PNP SUPPORTERS STAGE PROTEST OF NEW TAX MEASURES

Kingston THE DAILY GLEANER in English 12 Feb 86 pp 1, 3

[Text] Scores of People's National Party supporters yesterday protested in front of three revenue offices across the island against new taxes imposed by the Government.

The demonstrators waved placards outside the collectorate offices in Half Way Tree, Mandeville and Montego Bay, chanting slogans against the tax measures just imposed.

In a statement yesterday, Party General Secretary Paul Robertson said that the move was to remind the public of Mr. Seaga's promise last June that there would be no further taxes for the rest of the fiscal year.

It was also aimed at protesting what he called the "inequity" of the massive cost of registration plates for motor vehicles. The cost of the plates was unfair to the elderly, he said.

He said that despite "savage" increases in taxes, breaking a JLP 1980 manifesto promise not to impose heavy taxes, there had been a reduction of the services usually provided to the people.

"While the decline in bauxite/alumina industry is a contributory factor in the decline of the economy, the real problems have been caused by the policies being pursued by the Seaga regime," he said.

The bauxite levy had given 50 per cent more to the Consolidated Fund in five years of the JLP Government than in the five years of the last PNP Government, Dr. Robertson said.

Tax revenue of 1984/85 more than doubled that of 1980/81, while the projection, he said for this year would be $3 billion.

Party Chairman, Mr. P.J Patterson led the protesters in Kingston; Deputy General Secretary Mr. Donald Buchanan, was at the head of those in Mandeville, while Vice President, Miss Portia Simpson led those in Montego Bay.

/9274
CSO: 3298/344

TOURIST NUMBERS UP SLIGHTLY, BUT SPENDING DOWN IN 1985

Kingston THE DAILY GLEANER in English 10 Feb 86 p 1

[Text]

Tourist arrivals in 1985 were 846,716, a modest increase of 2,942 over the 843,774 who visited in 1984, according to figures released by the Jamaica Tourist Board. But they brought in US$12.6 million less than the $406.6 million earned in in 1984.

Tourism earned a total of US$394 million for 1985 compared to US$406.6 million for the 1984 calendar year and accounts for 30% of or just under one-third of the country's economic earnings. This is the largest single foreign exchange earner for the country.

Of the $394 million earned in 1985, an estimated US$380 million was earned through stop-over visits (two or more days) and $14 million from cruise shipping and armed forces visits which accounts for a significant amount of tourist arrivals.

Stop-over visitors declined from 603,436 in 1984 to 571,713 in 1985 but significant increases in cruise passengers and members of the armed forces resulted in an overall increase in visitors last year.

In cruise shipping, there was an increase in arrivals from 231,039 in 1984 to 261,508 in 1985. Armed forces visit for that same period improved from 9,299 in 1984 to 13,495 in 1985.

While stop-over visitors were the major contributors to total earnings there was a considerable decline in the North American region for the month of December showing a figure of 33,653 for 1984 compared to 31,771 for the same period for 1985.

Figures for the same period from the following countries : Canada, United Kindgom, Europe, Latin America and other countries also decreased from 45,790 in December 1984 to 43,398 in 1985, a decrease of 5.2%.

The survey showed that for the same regions there were decreases over a 12-month period starting from 467,876 in 1984 to 433,136 in 1985 a decrease of 7.4%. Decreases were also experienced in the other regions mentioned over the same period beginning at 603,436 in 1984 to 571,713 in 1985 a decline of minus 5.3%.

Overall, the increase in tourism is measured at less than one percent, 3%, which comes mainly from cruise shipping and the armed forces.

/9274
CSO: 3298/344

AUSTERITY PLAN INCLUDES CUTS IN CIVIL SERVICE EXPENDITURES

The Hague ANP NEWS BULLETIN in English 11 Feb 86 pp 2-3

[Text] Willemstad, 10 February--The Central Antillean Government has unveiled plans to wipe off a 50 million Antillean guilder (some 75 million guilders) deficit on its 1986 budget.

The plans include cuts in public spending and higher excise duties. The two measures are to replace a controversial 10 percent 'crisis hike' in income tax slapped on by former Prime Minister Maria Liberia to revive the ailing economy of the group of five islands.

Prime Minister Don Martina's government plans to raise the 50 million Antillean guilders by cuts in government spending to the tune of 23 million Antillean guilders and higher excise duties on petrol, cigarettes and luxury goods totalling over 26 million Antillean guilders.

The weekend's announcement follows disquiet in the Dutch Parliament last week that the five-island federation appeared to be dragging its heels in efforts to put its economy on a sound footing.

/12232
CSO: 3200/16

1986 BUDGET TO APPROACH 70 BILLION INTIS

Lima EL COMERCIO in Spanish 5 Feb 86 p A-4

[Text] The General Budget of the Republic for this year will end the year at approximately 70 billion intis (70 trillion soles), according to the annual inflation projections made by the National Institute of Statistics (INE).

This estimate was announced yesterday by Populist Deputy Aureo Zegarra Pinedo, who is a member of the Bicameral Budget Committee.

He recalled that this same amount was originally cited by his party when the current budget was discussed in Congress.

He stated that the deflated budget (with zero inflation), which totals 37 billion intis for this year, was always considered "unrealistic," as confirmed by the inflation rate of 5.2 percent that was attained this past January.

With regard to the latter statistic, he said that serious studies indicate that inflation rose to 8 percent last month.

"The 1986 budget started out with a deficit, as we announed at the time. Now this is being revealed by the figures released by the head of the INE," he commented.

He indicated that the category of food from the family basket, which is used to determine the inflation index, is assigned a 30-percent share. This is not realistic, he said, because in countries like ours it really accounts for 60 to 65 percent.

"We have macroeconomic data that reveal that inflation will be higher than 85 percent," he noted.

He also raised an objection to the fact that the Bicameral Budget Committee is approving suplementary credits corresponding to 1985 without any meeting of the members of that committee, to which he belongs.

"No official notice of any meeting has been issued," he said.

Several parliamentarians who belong to that committee are on a working tour of the United States. Among them is the committee chairman, Javier Silva Ruete of the American Popular Revolutionary Alliance (APRA).

8926
CSO: 3348/436

SOVIET FLEET CONTINUES FISHING IN NATIONAL WATERS

Contracts Not Yet Renewed

Lima EL COMERCIO in Spanish 6 Feb 86 p A-7

[Text] The Soviet trawler fleet continues to fish within Peru's 200-mile territorial sea even though the contracts have not been renewed due to Deputy Enrique Elias Laroza's accusations about tax debts. This was reported yesterday by the president of the Association of Peruvian Fishing Vessel Owners, Pedro Carranza Lopez.

He contended that both shipowners and fishermen from Chimbote have witnessed the aforementioned fleet in action, although fishing activities are supposed to be on "standby" until the matter of the income tax debt is cleared up.

"In other words, they used to give us 15 percent of the catch under the contracts, but now they are continuing to fish from their enormous vessels, violating Peruvian law and not giving us anything," stated the leader of the Peruvian fishing vessel owners.

Fishing Fleet Emergency

The leader once again urged that a state of emergency be declared for the national fishing fleet, which "is undergoing a critical period and is on the verge of collapse."

He said that with the incentives that have been requested from the government and an open credit of some $10 million, national fishermen would be ready to relaunch 200 to 300 vessels to catch fish for direct human consumption, "rather than having the Fishing Ministry spend a fortune on launching 20 high-seas fishing vessels, as the minister has announced."

He noted that at present Peru exports $250 million worth of fishmeal, fish oil, canned fish and other fish products. "If we were given support and certain exemptions, in just a year we would be in a position to export up to $600 million worth. Moreover, this would create 2,000 direct jobs in the fishing sector, some 6,000 in the factories, and a larger number of indirect jobs," he stated.

Among other incentives for private fishing, Carranza called for an 11-percent cut in the General Sales Tax (IGV) and the creation of an internal Certex for the national industry that produces supplies such as ring nets, which cost 2 million intis each.

Finally, he asked for a 10-percent cut in the export tax on fishmeal for all exporters, whether they be the State Fishmeal and Fish Oil Production Agency (PESCAPERU) or private businessmen, and that this percentage be applied to higher prices paid to the owners of fishing vessels "so that this would contribute to the recovery of the national fishing fleet."

Further Details

Lima EL COMERCIO in Spanish 8 Feb 86 p A-7

[Text] Soviet factory ships are currently fishing in a wide area between the ports of San Juan de Marcona (Ica) and Salaverry (La Libertad), 70 to 150 miles offshore, without legal authorization. The contracts for such fishing have expired and have not yet been renewed.

In repeating this accusation, the president of the Association of Peruvian Fishing Vessel Owners, Pedro Carranza Lopez, warned that the Peruvian sea is being plundered. "Proof of this lies in the recent catch of undersized jurel by the Cuban trawler that has been operating since last January, in violation of the regulations issued by the Sea Institute of Peru (IMARPE)."

Carranza asserted that many skippers have gone out a little farther than 80 miles and have seen Soviet ships catching large volumes of jurel, mackerel, sardines and hake, primarily.

"They process them on their factory ships and transfer them at sea to mother ships, which transport them to countries in the socialist bloc. Meanwhile, on the Peruvian market there is a shortage of fish, and prices are too high," stated the aforementioned leader.

He explained that the wide area chosen for such fishing is precisely where vessels usually go to fish because of the abundance of schools there.

No Way to Control

Based on his many years of experience in working at sea, Carranza contended that it is practically impossible to control the plundering by these ships of the "Sovribflot" fleet. There are 20 such vessels, and undoubtedly many others of the more than 200 ships allowed to fish outside the 200-mile limit under the 1972 agreement are fishing there too.

"We do not have the necessary resources, in terms of vessels and fuel, to patrol that huge area," he explained.

He indicated that the Puervian shipowners are willing to place fish on the market at $60 a ton, instead of the $300 a ton paid to the Cubans (according to statements by the fishing minister) in the form of fishmeal priced at $272 per ton.

"The only thing we ask is that the government help us out with tariffs, the IGV, and special credit so that the small 'Peas' and other vessels that fish for direct human consumption can get ahead," he stated.

Finally, he added that many of the Soviet vessels come to the floating pier at Chimbote to make repairs and buy provisions, which is done with the knowledge and tacit consent of everyone.

8926
CSO: 3348/436

SATELLITE TO EVALUATE ANDEAN WATER RESOURCES

Lima EL COMERCIO in Spanish 10 Feb 86 p D-3

[Text] The water resources of the Andean provinces of Cajatambo, Yauyos and Oyon, declared by the government to be microregions, will be measured and evaluated by satellite in a wide-ranging scientific-technical research project covering that area.

This information was provided by a source at the Yauyos council, who stressed that the satellite research will yield comprehensive and detailed information about the agricultural species that should be planted in those places.

The installation of the satellite will be carried out through a coordinated effort by the Departmental Development Corporation of Lima (CORLIMA) and the National Office for Evaluating Natural Resources (ONERN), it was announced at a meeting between mayors and CORLIMA President Pedro Quiros Garcia.

A CORLIMA spokesman stated that this week a pact will be signed for the installation of the satellite, which should begin operating next August. It will scan some 2 million hectares.

The spokesman added that in Cajatambo, Yauyos and Oyon there are huge reserves of water resources and extensive tracts of fertile land that are not being utilized adequately or rationally.

The spokesman for the municipality of Yauyos pointed out that the three microregions are the most depressed areas in the department of Lima, and emphasized that the action undertaken by CORLIMA officials was hailed at the meeting of Yauyo mayors last month as a means of putting an end to the neglect of that province.

8926
CSO: 3348/435

INDUSTRIAL BANK SUPPORT TO FOOD ENTERPRISES

Lima EL COMERCIO in Spanish 8 Feb 86 p A-11

[Text] The Industrial Reactivation Fund (FRI) Fiduciary Committee has agreed to follow new procedures for providing financial support to the industrial enterprises of the private sector, with special emphasis on the manufacture of foods. The FRI is headed by Adm Geronimo Cafferata Marazzi, president of the Industrial Bank of Peru.

The committee agreed to extend the payment period for the loans to 24 months, with an option to extend it further to 36 months, including a grace period of 2 quarters.

The interest rate on the FRI loans will be 2 points below the maximum rate authorized by the Central Reserve Bank.

In the case of agro-industrial enterprises or those that are established outside of metropolitan Lima, this rate will be 4 points below the maximum rate.

The spread between the interest rates will be absorbed by the Industrial Bank itself in the form of the commission it would earn as the fiduciary agent in the program.

The committee also decided to initiate seasonal loans aimed exclusively at building inventories, with a maximum term of 9 months.

To speed up the processing of these loans through intermediary financial institutions, the committee authorized the office to give these institutions "bridge loans" that will enable them to disburse the funds during the time that the loan applications are still being processed.

Another important change is aimed at guaranteeing the eligibility of businesseswhich have loans that are due and payable with the national banking system. At present, these businesses have no access to credit.

The committee agreed to issue regulations that would cover businesses which have refinanced their loans with creditor banks and have export projects capable of generating enough funds to cover the operating costs of the project as well as the financial costs of the loan, with the possibility of paying off part of the principal of the debt that is due.

The goal of the program is to reduce idle installed capacity, generate foreign exchange, and encourage the opening of new jobs.

8926
CSO: 3348/436

NATIONAL INFORMATICS SECRETARIAT POLICIES ESTABLISHED

Lima EL COMERCIO in Spanish 9 Feb 86 p E-12

[Passages enclosed in slantlines printed in boldface]

[Text] The policy to be pursued by the first national secretary of informatics has aroused great expectations, which are of course justified. The new National Informatics Secretariat has the same name as its Brazilian counterpart, which we already discussed in this column on 24 March 1985.

Ramiro Priale Zevallos will be the first secretary of informatics.

In a coversation with EL COMERCIO, Priale explained the objectives he will pursue within his jurisdiction.

First of all, the National Informatics Secretariat is drafting a series of regulations that it must submit to Congress within 30 days after the secretary's appointment. The document revolves around the formation of the /National Informatics System/ (SINAIN).

These regulations will specify the functions of the system, which will be governed by the National Informatics Secretariat.

Priale gave us a detailed account of the preliminary short- and medium-term objectives that have been laid down for the agency. We are reproducing that list here without comment.

The priority goal of the SINAIN is "to channel the agents of change and development toward the computerization of our society."

To achieve this goal, these principal objectives have been established:

/Introduce informatics in education;/ in other words, apply computer systems to didactic and educational activities, beginning at the initial levels.

/Teach informatics,/ which means including courses related to informatics and computers in the country's educational curricula, as we announced in this column a week ago.

/Optimize the utilization of the computer resources available in public and private administration./

With regard to this point, we were told that the emphasis will be placed on the public sector, because the policy regarding the private sector focuses on /incentives,/ as opposed to /government intervention/ which will be avoided in all cases.

/Promote the consolidation of national and supranational communications and informatics networks./ In other words, this refers to the expansion of communication systems and data bases and the formation of networks. It also entails determining the feasibility of connecting with existing networks throughout the world in an economical and rational way.

Expanding on the latter general objective, Priale pointed out that work is already underway to accelerate the installation of the /fiber optics belt/ that will connect the telephone exchanges of the CPT. Within that network, the segment that connects the Washington exchange with that of Miraflores is already functioning.

"This will be carried out according to a plan," he stated. "First this modern technology will be installed among the most heavily used exchanges, taking into account the needs of the private sector, especially the banks. We will give top priority to this project in the San Martin exchange, which carries the heaviest load at present; under the CPT plan, it was the last link of the chain," he added.

Within the shorter-term objectives, he mentioned the /Badales Legal Data Base/ Project, which involves the updating of the legislative data base at the Ministry of the Economy and its transfer to Congress.

In response to the usual question, he said that "an effort will be made to reduce the tariffs on computer equipment, without making them entirely duty-free."

In that regard, he refused to specify rate amounts or percentages, because apparently they have not been set yet.

Commenting on the incipient national microcomputer manufacturing industry, he said that a reduction of tariffs on components (electronic parts used to make this equipment which have to be imported) will be considered and is being requested by businessmen in this sector. Tariff protection against foreign competitors will not be provided, however.

Concerning this sector, he added that rates will be applied to specific businesses, not items, within three categories:

1. Importers of 100-percent assembled equipment.
2. Businesses that assemble complete parts that have been manufactured abroad. These businesses are known as the /"screwdriver" industry./
3. Businesses that build the equipment on the basis of minimal components.

The third category will receive the most incentives, and the first will be least favored.

In addition, the electronics industry will be regarded as a /strategic industry./

Priale believes that the tariff policy is not the only way to provide incentives.

He mentioned financial credits, and also acknowledged that the government is the main customer on the domestic market, and as such can strategically favor certain local industries.

Here are some of the 112 objectives mentioned:

A) Short Term

1. Encourage the development and translation of software into Spanish.

2. Promote the creation of chambers of suppliers/ businesses, universities and institutes that can enter into a viable dialogue with the government.

3. Tele-education, a weekly program on Channel 7.

B) Medium Term

1. Development of a system of management information at the highest level of government.

2. Tax and credit promotional mechanisms for private entities involved in informatics (data bases, etc.).

3. Certex on software exports.

4. Data bank containing information on regional opportunities.

5. Institute for research and development of software and informatics education.

6. Personal computers in public libraries.

7. Tax incentives for the installation of equipment in remote areas.

8. Correspondence course on introductory informatics.

8926
CSO: 3348/435

FRENCH SEISMIC EQUIPMENT PROVIDED FOR VOLCANIC STUDIES

Lima EL COMERCIO in Spanish 9 Feb 86 p A-15

[Text] Arequipa, 8 February—Five portable seismic stations have been placed around the Misti volcano by the French Bureau of Overseas Scientific and Technical Research (ORSTOM) and the Geophysical Institute of Peru (IGP).

The seismic survey took place between 20 January and 3 February. A seismic recording was taken of the volcano region in order to determine the location and depth of the weak movements that have been detected. This work will enable scientists to determine which nearby tremors are associated with Misti's seismic activity.

The studies were directed by three geophysicists and a geologist from ORSTOM under the direction of Dr Louis Dorbath, and a geologist and two geophysicist trainees of the IGP, under Dr David Huaman. It should also be noted that the National University of San Agustin supported and participated in the activities.

Student Participation

In addition, a dozen geophysics students helped to install and maintain the seismic stations, and two of them are in Lima now to analyze and interpret the geophysical data.

Dr Dorbath indicated that the program should be regarded as a preliminary contribution to the local university, which is developing a general program to study Misti under the direction of Eduardo Lazo Lazo.

He added that to draw conclusions about the behavior of the volcano, the seismic survey will have to be complemented by future studies of factors such as changes in the gravitational field, monitoring of deformities in the volcanic cone, and detailed studies to determine the nature and frequency of ancient eruptions.

The presence of the French scientists has been noted throughout the city. Their reports will be analyzed and then submitted to the authorities so that the appropriate measures can be taken.

8926
CSO: 3348/435

SMUGGLING TO BOLIVIA, CHILE REMAINS PROBLEM

Food, Medicines to Bolivia

Lima EL COMERCIO in Spanish 10 Feb 86, pp A-1, A-15

[Interview with Luis Duenas Peralta, deputy prefect of Puno, by Victor E. Rodriguez Olaechea; date, time and place not given]

[Text] Desaguadero, Puno--Food and medicine subsidized by the Peruvian Government are benefiting Bolivians through smuggling.

The six checkpoints along the highway that connects Arequipa to Juliaca and Desaguadero do not prevent the passage of thousands of tons of potatoes, onions, rice and sugar, powdered milk, and medicines.

The national merchandise crosses the border in the presence of customs authorities under the "pacotilla" system, on the backs of porters, on tricycles or across the lake, on ships flying the Peruvian and Bolivian flags.

In Desaguadero the cargo is "slapped" with a tax known as a "policy," better known as "pacotilla," amounting to 50 intis. It is paid by the Bolivian buyer on the Peruvian side, and no one knows where it goes.

In a visit to the international bridge at Desaguadero, EL COMERCIO found large quantities of food products from Peru on the Bolivian side, waiting to be sent off to La Paz. Some were even to be transported by vehicles of the Bolivian Army.

The deputy prefect of Puno, Luis Duenas Peralta, who had come to Desaguadero because of a report that trucks were there transporting greens and onions from Arequipa, ordered them returned to Puno to be marketed in the department capital.

An average of 100 trucks a week arrive in Puno from Arequipa to deposit contraband on the Peruvian-Bolivian border.

After a leisurely day trip that takes them through the checkpoints at Puno, Santa Lucia, Huascar, Ichu and Ilave (department of Puno), the trucks finally reach Desaguadero, where they deliver thousands of tons of food to be marketed in the neighboring country.

Deputy Prefect Luis Duenas Peralta, who was on an inspection tour of this border post, confirmed that this number of trucks comes from Arequipa each week. He indicated that only 80 percent of the smuggled food is discovered, while 20 percent gets through, "mocking all attempts to police the long river border."

[Question] How much merchandise gets through to Bolivia?

[Answer] No one knows the exact amount. It all depends on the number of trucks that reach the border, but it is known that thousands of tons of food, such as potatoes, onions, fruit and even medicine gets through. In fact, we have discovered that a pharmacy here in Desaguadero sells medicines subsidized by our government.

[Question] What measures has the Prefecture of Puno taken to prevent food smuggling?

[Answer] Between September and November of last year, large amounts of sugar from sugar enterprises in the north was smuggled. It was determined that the sugar was brought by duly registered dealers, but they evaded customs controls entirely. They would leave a certain number of tons in Puno, but would take most of the shipment to the Bolivian border. The Prefecture cracked down by forming a multi-sector commission to deal with the problem. We managed to reduce the trafficking not just of sugar, but also of other foods.

[Question] One can observe onions, fruit, and powdered and evaporated milk crossing the border freely here in Desaguadero. What other products cross the international bridge?

[Answer] The Bolivians are also enjoying red meats, citrus fruits, livestock on the hoof (sheep and cattle), detergents, crackers, medicines, veterinary products, fertilizers, etc.

[Question] How does the Peruvian merchant "benefit"?

[Answer] His benefit is naturally economic. Any food or industrial product costs twice the official price on the border, and certain products are often sold for up to four times what they cost in Puno, Arequipa or Lima.

[Question] If there are so many checkpoints, how do the trucks manage to reach the border with their cargo intact?

[Answer] All goods that leave Arequipa for the department of Puno are accompanied by a transit permit issued by the Ministry of Agriculture in Arequipa. They are supposed to go only as far as Juliaca and Puno, however. If the merchandise continues on to the towns on the Peruvian side of the border, they are supposed to get another permit in Juliaca, but they do not do so. The trucks secretly go to the border with the same permit, without dropping off the goods in Juliaca or Puno. They often use the same permit to make several trips.

[Question] But shouldn't there be some police or customs control?

[Answer] There are controls, but they manage to evade these checkpoints until they get to Desaguadero, where they sell the goods out in the open.

[Question] What is the Deputy Prefecture doing?

[Answer] The Prefecture and the Deputy Prefecture in the department are represented on the multi-sector commission named to eradicate smuggling. In the month and a half since the commission was formed, some inroads have been made against the illegal trafficking of food. There is a requirement that 50 percent of the merchandise that comes in must remain in Puno to meet the needs of the city's population, and that the remainder be distributed among the other localities in the department. This objective is being achieved partially, but there are always secret "leaks."

[Question] Have you discovered any major shipments?

[Answer] In fact, on 17 January, to be precise, we seized 2,408 tons of food being transported from Arequipa to Bolivia in 45 trucks and 15 railroad cars. On the railway, 400 tons of different greens and 200 tons of potatoes (listed on the permits as sweet potatoes), were about to pass through. The trucks were pulled over in Pomata, 100 kilometers southwest of Puno, as they were transporting 1,473 tons of onions, 48 tons of carrots, 13 tons of tomatoes, and 4 tons of fruit such as mangos, peaches, apples and watermelon packed in 218 wooden crates. All these products were marketed in Puno and Juliaca at the official price, and of course the truck drivers were punished.

Measures Against Chilean Smuggling

Lima EL COMERCIO in Spanish 9 Feb 86 p A-16

[Text] Tacna, 8 February--The merchants who have made a handsome living by smuggling are becoming more cautious. In addition to the confiscation of whatever they try to bring into the country illegally, officials are rescinding the passes that enabled them to cross the border up to 6 months at a time.

In the past week, customs authorities have seized a large amount of contraband, valued at nearly 500,000 intis (500 million soles). In fact, in two Chilean-registered buses, a shipment of kerosene was discovered on its way from Tacna to Arica.

The contraband consisted primarily of color television sets, Betamaxes, tape recorders, radios, liquor, clothing, etc.

The buses that were carrying the camouflaged 10-gallong tanks of kerosene belong to the mobile units (taxibuses).

8926
CSO: 3348/436

GOVERNMENT SUPPORT TO SHOE INDUSTRY

Lima EL COMERCIO in Spanish 6 Feb 86 p A-14

[Text] In order to boost the national shoe industry, the government will lend full support to this sector, stated Vice-Minister of Industry Luis Sierralta as he inaugurated the 2nd Shoe Fashion Show known as "Lancal 2" (Shoe Launch).

Constant Dialogue with Manufacturers

Sierralta, after stressing the importance of the show, stated that his ministry is promoting a constant dialogue with shoe manufacturers. He also praised the concerted effort by the private sector, as manifested in this type of display, which will yield important results.

The opening ceremonies, held at the Independence Room of the Hotel Sheraton, were attended by representatives of Prime Minister Luis Alva Castro, an adviser to Minister of Industry, Commerce, Tourism and Integration Manuel Romero Caro, and the commercial attaches from Czechoslovakia, Italy, Bulgaria and Yugoslavia.

Pedro Mont Koc, president of the Association of Small and Medium Shoe Manufacturers, which organized the exhibition, stated that this second event represents the first national effort by small and medium businesses in the nation to promote this industry.

Own Designs

As for the domestic market, he indicated that it is being brought up to date. It can now be said that the industry has its own designs that are equal to any on the fashion scene in Europe.

80 Exhibitors and 12 Sponsors

The show, which boasts 80 exhibitors and 12 business sponsors in the industry, will continue at the Hotel Sheraton until Friday the 7th. Visitors may admire the latest models of shoes for men, women and children.

8926
CSO: 3348/436

REGIONAL SCIENCE, TECHNOLOGY COMMISSION IN AREQUIPA

Lima EL COMERCIO in Spanish 6 Feb 86 p B-8

[Text] The first Regional Advisory Commission on Science and Technology has been installed in the city of Arequipa by the president of the National Science and Technology Council (CONCYTEC), Carlos del Rio Cabrera. The purpose of the commission is to consolidate a decentralized national system of science and technology to promote the country's integral development through such processes.

"The establishment of these commissions provides recognition and incentives to the talent that exists in this nation in the fields related to science and technology, promoting scientific creativity as a function of national objectives," stated del Rio.

It was reported that these advisory commissions will be made up of leading figures in these fields in each region, but also of representatives of industry, commerce and banking. Thus, these teams will reflect the real situation and the thoughts, concerns and hopes revolving around the role of science and technology in the country.

In addition, on the occasion of the visit to Arequipa by the president of CONCYTEC, a cooperation agreement was signed with the National University of San Agustin. This pact is compatible with the policy of promoting science and technology in the universities with a view to improving knowledge of the national situation and contributing to the solution of structural problems.

8926
CSO: 3348/435

BRIEFS

COTTON INCOME DOWN--Due to the decline in the price in the last 2 years, Ica cotton producers have seen their income fall by more than $15 million, equivalent to 262.5 million intis. Whereas in 1983 the price of cotton was $91 a quintal, the following year the same amount of cotton fetched just $64. In last year's season the price fell below $58. This figures, reported in the bulletin of the Ica Farmers Association, were confirmed by Manuel Barco Fernandini, a member of that institution's board of directors. We interviewed Barco Fernandini in conjunction with the statements made by the president of the National Cotton Board, Alfredo Massaro Silva, who is a farmer from Chincha. The reader may recall that he made those statements to this newspaper, which published them on 24 January. He explained then that "due to the low prices, next year there will be a major cotton shortage." [Text] [Lima EL COMERCIO in Spanish 10 Feb 86 p A-16] 8926

NEW ZEALAND FLOOD AID--The $10 million that the New Zealand Embassy in Lima was going to spend on its National Day celebration will be donated to Puno residents who suffered damages from the rains and the flooding of Lake Titicaca. The diplomatic headquarters of that country reported that it has decided to make the donation to alleviate the dire plight of Puno residents. Between 1974 and 1982, New Zealand carried out a program in that department to improve grazing lands and livestock raising. The embassy stated that in the coming months this program will be renewed; in May or June five experts will arrive from New Zealand to work with Peruvians on improving agriculture in Puno. The spokesman indicated that this month representatives of the New Zealand Dairy Board are expected to pay a visit to Peru. In addition, three Peruvians will receive scholarships to go to New Zealand and receive training at universities there. According to the New Zealand Embassy in Lima, nearly 150 years after the treaty of 1840 that created the new nation, New Zealand is emphasizing its role as a member of the Pacific Basin, developing its relations with South American nations like Peru that border on the Pacific. [Text] [Lima EL COMERCIO in Spanish 7 Feb 86 p A-5] 8926

CSO: 3348/436

ST LUCIA

LABOUR PARTY AGAIN SPURNS PLP OVERTURES FOR UNITY

Port-of-Spain TRINIDAD GUARDIAN in English 17 Feb 86 p 5

[Text]

CASTRIES, Feb. 16, AP — SAINT LUCIA Labour Party (SLP), has spurned advances from the left-leaning Progressive Labour Party (PLP), for the second time in six months, for an alliance of Opposition parties to fight the next general elections.

The island is expected to go to the polls by August, 1987, at the latest. The PLP, headed by former deputy Prime Minister George Odlum, contends that neither Opposition party, on its own, stands a chance to unseating the pro-Western United Workers' Party (UWP) administration of Prime Minister John Compton.

According to a party news release issued yesterday, the 44-member SLP Central Executive has flatly rejected a recent PLP invitation for discussions between the two groups "as quickly as possible."

Odlum is a former member of the SLP. He broke away five years ago, after a long controversy between conservatives and progressives in an administration that had just won its first electoral victory in 15 years. Odlum campaigned unsuccessfully to have then Prime Minister Allan Louisy eased out of the top spot in the Government.

The controversy triggered a series of developments, which culminated in the electorate pressuring the Government out of office with public protests in January, 1982.

SLP members still blame Odlum for the SLP's disgrace, especially since he publicly boasted of helping to orchestrate the agitation that prompted the Government's collapse.

Long controversial for his pro-left activities, Odlum has been identified by the incumbent Government as a key figure in the recruitment of young people of study on "scholarships" in Libya. One such group was halted by police as the youths prepared to board a flight to Libya via intermediate stops.

Decision Reaffirmed

In the 1982 elections, both the SLP and the PLP were routed by the UWO. Now, with elections around the corner once more, the PLP, hit by a series of desertions from its ranks in recent years, sees its political fortunes fading fast.

Last July, Odlum suggested some sort of accommodation between the groups. The SLP convention of delegates, meeting a month later, adopted a resolution by consensus, urging the SLP not to enter into any merger or accommodation with the PLP or any other party.

But at the PLP's own long-delayed congress last month, delegates adopted a resolution of their own, suggesting that the parties meet to explore the question of a united Opposition. A formal invitation was sent to the SLP.

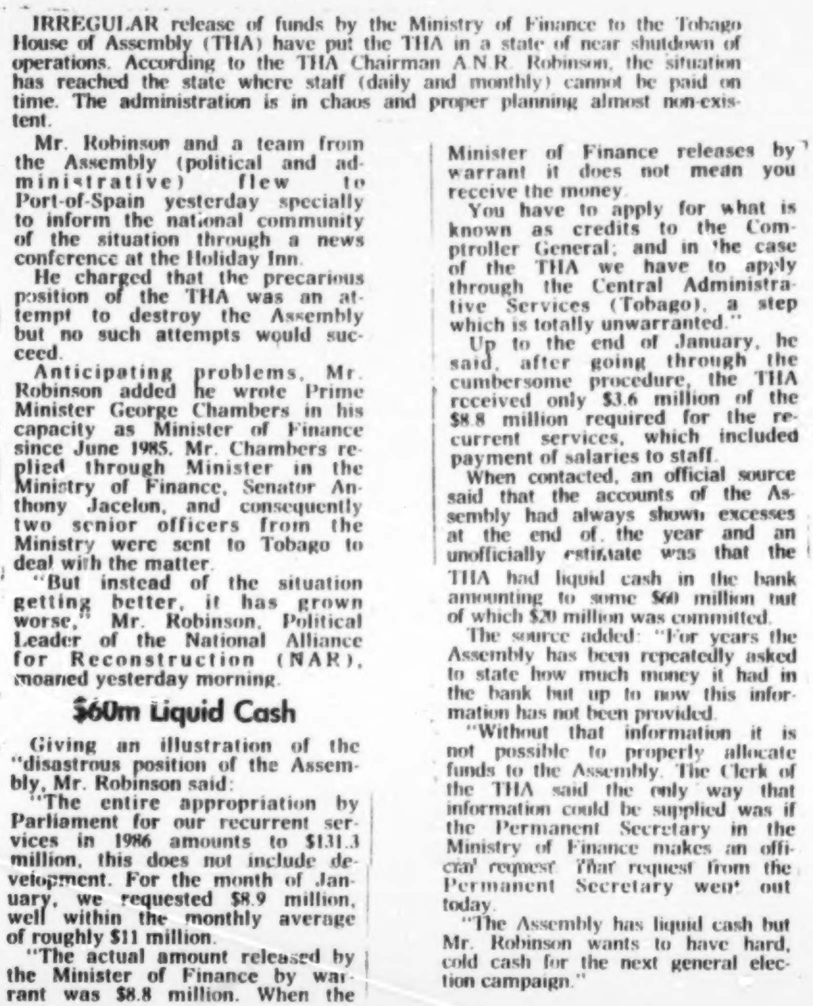
But this week's SLP executive decision reaffirmed what the party's delegates had decided last July, rejecting the PLP's new invitation to talks.

/9274
CSO: 3298/345

ROBINSON DISCUSSES FINANCIAL THREAT TO TOBAGO ASSEMBLY

Port-of-Spain TRINIDAD GUARDIAN in English 15 Feb 86 p 1

[Text]



IRREGULAR release of funds by the Ministry of Finance to the Tobago House of Assembly (THA) have put the THA in a state of near shutdown of operations. According to the THA Chairman A.N.R. Robinson, the situation has reached the state where staff (daily and monthly) cannot be paid on time. The administration is in chaos and proper planning almost non-existent.

Mr. Robinson and a team from the Assembly (political and administrative) flew to Port-of-Spain yesterday specially to inform the national community of the situation through a news conference at the Holiday Inn.

He charged that the precarious position of the THA was an attempt to destroy the Assembly but no such attempts would succeed.

Anticipating problems, Mr. Robinson added he wrote Prime Minister George Chambers in his capacity as Minister of Finance since June 1985. Mr. Chambers replied through Minister in the Ministry of Finance, Senator Anthony Jacelon, and consequently two senior officers from the Ministry were sent to Tobago to deal with the matter.

"But instead of the situation getting better, it has grown worse," Mr. Robinson, Political Leader of the National Alliance for Reconstruction (NAR), moaned yesterday morning.

$60m Liquid Cash

Giving an illustration of the "disastrous position of the Assembly, Mr. Robinson said:

"The entire appropriation by Parliament for our recurrent services in 1986 amounts to $131.3 million, this does not include development. For the month of January, we requested $8.9 million, well within the monthly average of roughly $11 million.

"The actual amount released by the Minister of Finance by warrant was $8.8 million. When the Minister of Finance releases by warrant it does not mean you receive the money.

You have to apply for what is known as credits to the Comptroller General; and in the case of the THA we have to apply through the Central Administrative Services (Tobago), a step which is totally unwarranted."

Up to the end of January, he said, after going through the cumbersome procedure, the THA received only $3.6 million of the $8.8 million required for the recurrent services, which included payment of salaries to staff.

When contacted, an official source said that the accounts of the Assembly had always shown excesses at the end of the year and an unofficially estimate was that the THA had liquid cash in the bank amounting to some $60 million out of which $20 million was committed.

The source added: "For years the Assembly has been repeatedly asked to state how much money it had in the bank but up to now this information has not been provided.

"Without that information it is not possible to properly allocate funds to the Assembly. The Clerk of the THA said the only way that information could be supplied was if the Permanent Secretary in the Ministry of Finance makes an official request. That request from the Permanent Secretary went out today.

"The Assembly has liquid cash but Mr. Robinson wants to have hard, cold cash for the next general election campaign."

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TRINIDAD AND TOBAGO

CHAMBERS POSTPONES OFFICIAL VISIT TO BARBADOS

Port-of-Spain EXPRESS in English 17 Feb 86 p 1

[Text] **PRIME Minister George Chambers has reportedly postponed his official visit to neighbouring Barbados for the fourth time, according to a CANA report coming out of Barbados yesterday.**

The visit was scheduled to take place later this month but is now reportedly re-scheduled for some time in April. No official reason had been given for the postponement of the visit but highly placed diplomatic sources quoted in the Barbados *Sun* newspaper said that the Trinidad Government had told Barbados that the visit, originally planned for the end of this month, was "no longer convenient for matters here (Trinidad)."

The paper said the visit, first suggested by the late Barbados Prime Minister Tom Adams in January last year, has now been called off four times by Trinidad and Tobago.

Chambers was to have opened the Arawak Cement Plant, owned jointly by the governments of Trinidad and Tobago and Barbados, and to have had talks with Prime Minister Bernard St John.

The EXPRESS was unable to get confirmation of this postponement from government officials here. External Affairs Minister Errol Mahabir is out of the country and no contact could be made with the Barbados High Commission in Port of Spain.

Chambers is expected to visit Grenada on Thursday to join with other Caribbean leaders in a meeting with United States President Ronald Reagan. The U.S. President is spending four hours in Grenada at the invitation of the Grenadian Government.

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TRINIDAD AND TOBAGO

STATEMENT BY LEFTIST PPM SCORES REAGAN VISIT TO GRENADA

Port-of-Spain EXPRESS in English 17 Feb 86 p 6

[Text]

THE leftwing People's Popular Movement (PPM) in a press statement yesterday condemned the upcoming visit of U.S. President Ronald Reagan to Grenada and said the visit was an "outrageous attempt to further tighten the iron clad grip of his administration over the Caribbean peoples."

In its statement the PPM said President Reagan's pending visit "represents another brazen affront to the entire Caribbean people, particularly at a time when his administration is in open collusion with the despicable and reprehensible South African regime.

"Mr Reagan's visit comes at a time when the U.S. administration is in the process of rapidly militarising the entire region and seeking, at the same time, to have it incorporated in his global aggressive plan for regional domination and control, and directed in the main, at the genuinely democratic, progressive and revolutionary forces in the region.

"Ever since his inauguration as U.S. President, the region, and indeed the world, has not known a minute of peace, serenity and stability.

"The Reagan administration has attempted to stifle the national liberation and revolutionary movements, not only in the Caribbean, but throughout the Third World.

"The recent formation of the Caribbean Democratic Union (CDU) embracing some of the region's most right wing and backward political parties is another manifestation of the Reagan administration's aim to dominate and subjugate the entire region to the whims and fancies of the American ruling class.

"The Reagan Administration has been imposing and supporting reactionary and dictatorial regimes in numerous Latin American and Caribbean countries.

"It is also engaged in organised terrorism and banditry against socialist Cuba and revolutionary Nicaragua. Mr Reagan has been unleashing wars in various parts of the globe and threatening the world with nuclear war.

"More important, the Reagan administration has nakedly provided all-round support to the racist-Nazi apartheid regime of Pik Botha in South Africa. His efforts at justifying his administration's policy of constructive engagement has received little or no support from the international community.

"The visit of Mr Reagan to Grenada which has been under the heavy heels of U.S. troops and other political and psychological operation units since the infamous invasion of that sovereign nation will not bring any new hope for the people of Grenada and, by extension, the peoples of the Caribbean.

"In fact, this visit is an outrageous attempt to further tighten the iron clad grip of his administration over the Caribbean peoples. Mr Reagan is bent on militarising the region and making it into a zone of war."

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TRINIDAD AND TOBAGO

WEEKES DELIVERS MESSAGE TO MEMBERS OF OWTU, PUBLIC

Port-of-Spain TRINIDAD GUARDIAN in English 18 Feb 86 p 11

[Text] On Thursday January 30th 1986 at a national news Conference the President General of the Oilfields Workers' Trade Union [George Weekes] delivered his first message to OWTU members and the people of Trinidad and Tobago. This message had been previously presented, discussed and unanimously approved at the Union's Statutory General Council meeting on Saturday, January 25th 1986.

We today publish as a public service, excerpts of the President General's Message.

On December 4th 1985, my address to the Employers Consultative Association (ECA) had as its theme *"Big Business and Mankind's Quest for Social and Economic Justice"*. Within that theme, I informed them of the following facts: 1) **The Trade Union Movement was a PEACE movement. 2) There can't be PEACE – industrial or social – without JUSTICE. 3) Big business gave birth to mankind's worse enemy – Imperialism and the meaning of imperialism is WAR. 4) Christ the *"PRINCE OF PEACE"* was crucified because he fought for JUSTICE for all.**

Since my address to the ECA, we have had the visitation of the National BUDGET for 1986, the most telling aspect of which is the 50% devaluation of the Trinidad and Tobago dollar and the devastating effect it is already having and will increasingly have on the oppressed and exploited working class in particular and the future trend of industrial relations in the country as we continue our struggle for *Peace* through social and economic Justice.

BUDGET WILL TEST OUR FAITH

The BUDGET is only one of those burdens that confront us and will severely test our faith and our will in the coming months of the year, and I could add, in the years to come.

Looming large on the nation's conscience is the planned visit to our shores of an English cricket team cursed with the presence of players who betrayed Mankind by receiving blood money while playing in apartheid South Africa.

Their intended coming brings to our doorsteps one of the most central international conflicts of our troubled times and challenges us to take a stand not only because the world community at the level of the United Nations branded apartheid as *"a crime against humanity"*, but in defence of, and, for principle, for morality, for justice, for dignity, for our very humanity.

And while the cricket tour placed us at a crossroad whereby we will be forced to make a decision as to whether we are prepared to stand up and be counted among those who struggle for international justice, equality and human rights, or be counted out of that dignified number, later on in the year General Elections in Trinidad and Tobago will bring us to another crossroad.

NO FENCE SITTERS

1986 is not going to be a year for fence sitters. Certainly not in the Trade Union Movement.

Those of us who are in high positions as labour leaders will have a clear choice – to demonstrate by action our commitment to the interests of the workers whom we serve, or openly betray their cause and suffer the consequences.

I want to emphasise too that the struggle is not only for the Trade Union leaders. The rank and file must be totally involved in the battle to prevent retrenchment, greater domination and further exploitation on the part of the invisible government (Big Business) silently supported by their visible Government.

UNITED EMPLOYERS

All Trade Unionists must realise that the Employers are united against the just cause of the workers. Any child will realised that the continued disunity by leaders in the Trade Union movement in 1986 will only defeat our own cause, that is the cause of those of us who genuinely see their purpose as serving the workers.

LABOUR IN DANGER

Now, more than ever, the Labour Movement is in imminent danger of being emasculated, its militancy dispersed and its once effective bargaining strength made impotent. I know that resulting from policies secretly practised by apartheid followers in our country and the existence of anti-labour laws has been major factors in bringing this about, but to my mind the villian of the piece has been the continued fragmentation of the Trade Union Movement. Had there been honesty by leaders in working for a truly united movement uncompromisingly committed to the welfare and advancement of the working class, the situation would not have been as desperate as it is today.

In recent times we have seen a total breakdown of not only industrial relations but of the very machinery set up by the government to regulate the system. We have to look more carefully at this time at the position of government as the biggest employer in Trinago in this steadily worsening industrial climate where the Employer Class has been quick to capitalise on what is mildly termed the economic recession to justify wage freezes and mass retrenchment. Unfortunately, the record show that the Government has been more than a willing partner of the capitalist money worshipping clique.

WE MUST DEMONSTRATE

If those in authority are still bold enough to attempt it, despite the growing national outcry, we must ensure that we demonstrate our seriousness as a people whose call for Justice must be respected. The emerging national concensus on the cricketers who played in South Africa is only one small part of the national concensus which is needed now in these crucial times.

All organisations that consider themselves patriotic, whether they be Trade Unions, the Churches, political parties, business institutions or whatever, need to try and find each other this year to seek common ground as we grapple with the crisis gripping our nation, the Caribbean people and the world.

We cannot simply look forward to an upcoming election to resolve our economic woes and all the problems of national direction.

Sometimes, when we look at our nation today wallowing in corruption from the top, it is difficult to remember that the question of *"morality in public affairs"* is one of if not the main plank of the platform that thrust the present government into power 30 years ago.

SLOW POISON

But what happened? There was a slow poison that corroded even many who had the best of intentions. It can happen again. Because the poison is part of the system of capitalism, imperialism and its child-apartheidism. Governments who operate under that system end up having to make deals with apartheid or the children of apartheid in order to survive.

To understand the need for our people to be mobilised for a forceful national thrust we must look at our struggle in a wider context.

Regionally, the Caribbean, bludgeoned by the effects of International Recession, is in dire economic straits. The governments of practically all the territories are lining up to solicit loans from the various lending agencies while at the same time prostrating themselves before the International Monetary Fund and/or beg for paltry handouts from the Caribbean Basin Initiative.

Those of our nationals who have regarded as distant the 360 billion dollars debt tragedies of Latin American and Caribbean Countries like Mexico and Brazil, Trinago and Jamiaca were shocked to know the rate **(over $4,000.00 owed by every citizen to international lending agencies)** at which this country is becoming entangled in the bondage of crushing-debt.

In order to find a way out of this perpetual indebtedness and economic depression we must pry ourselves loose from the clutches of the Capitalist–Imperialist monopolies, and their apartheid connections which live and feed and grow on other people. We must realise that the I.M.F. and the World Bank are nothing but glorified pawnbrokers of North America and Western Europe which lure us into a state of economic subservience whereby we end up pawning not only our national resources but our human dignity and our independence.

There is no reason to believe the situation is absolutely hopeless when there are examples of countries outside of the developed world that have been able to continue economic growth in this depressed period without the prop of any "*magic*" resource like oil was in the recent past.

Finally, I call upon all my brothers and sisters in Trinago, regardless of political affiliation or ideological belief to come together in a meaningful way to salvage all that is left of our beleaguered nation and begin the task of reconstructing the country. With patriotic commitment and sacrifice we would surely overcome the challenges that now appear to be so formidable.

They have no kind of just or realistic policy on wages or wages and prices. There is no honest dialogue with the people or the trade unions about the state of the economy or anything relevant, but they want to force public servants and other workers in the public sector to settle for a 6% increase over three years. They are fighting against an Industrial Court order, by taking the said Court and the Sugar union to the Appeal Court in order not to pay sugar workers the wages ordered by the Industrial Court.

SOUTH AFRICAN CONNECTIONS

Three of the outstanding disputes are with companies that have substantial South African connections, Metal Box, Caribbean Packaging Industries and Caribbean Tyre Company **(formerly Dunlop).** They soon adopted openly the methods of intimidation, and other aspects of injustice with which apartheid is synonymous.

The O.W.T.U. has time and again made public evidence of South African connections involving companies here **(not only in times of industrial crises involving those companies).** Texaco was exposed as one of the companies before the transfer of ownership to the government and people of Trinidad and Tobago. The government's silence then was as deafening as it is now. In the seventies W. R. Grace or Fed Chem was to be nationalised but in the eighties not only are they still here, the Government has now entered into direct "*partnership*" with this South African connected Company in fertilizer production. Do we need W.R. Grace that bad?

I must therefore warn the entire membership of the Trade Union Movement that time is running out. Should we fail to *unite now* in readiness for the bitter struggle ahead, then we might as well put in a *massive order for yokes and chains* to prepare us for the *new genesis of slavery and recolonisation.*

I now wish to deal with that malignant tumour embedded in the conscience of the international community, and its affliction imposed on the Industrial and Political relations of Trinago.I speak of the racist regime of South Africa. *The abomination of apartheid can be understated but never exaggerated.* Its continuing existence and its evil and dehumanising assault on the minds and bodies of the Black peoples in particular of South Africa belies any morale and spiritual progress Mankind may claim to have made up till now. Apartheid, more than any other situation (political or otherwise), is propelling us towards a global conflict of such magnitude that the use of the word '*apocalyptic*' is not only applicable, but could very well move at any time now into the realm of the inevitable.

There are those among us here in Trinago who disturb me with their complacency arising out of a failure to comprehend how totally uncompromising the stand against apartheid must be. This brings into focus the up-coming tour of the English Cricketers to the Caribbean. To simply say that sports and politics should be kept apart would very well place us in a position of being accused of not only paying lip-service in condemnation of South Africa, but also not being prepared to take any meaningful action whatever to demonstrate our condemnation. Such double standards cannot be condoned and amount to nothing but rank tokenism, plain and simple.

They would not even make serious efforts to educate their own people far more to hold a rally or a demonstration about the evils of apartheid, or to mobilise serious public opinion or organise support for any form of campaign aimed at fighting this menace to humanity. The question is Why? No doubt they would not like a public, questioning the activities of Transnational corporations including banks here which are deeply rooted in and profiteering from the evil deals made with apartheid South Africa and even violate the codes for minimum standards of employment there endorsed by the European Economic Community. The parent Company of Caribbean Tyre Company is one such offender. Does the country really need Caribbean Tyre Company?

ROLE OF BARCLAYS BANK

Barclays Bank (or Republic Bank as it is called in Trinago) has been the target of many international campaigns for its strong financial support of the fascist South African regime. Does this country really need Barclays Bank?

To deal further with the tragic misconception regarding sports and politics in relation to South Africa, let me say that apartheid, with the inhuman degradation it continues to inflict on the black peoples in that country, is not merely a 'conflict of political positions, *it is a racist creed embraced by the white minority regime of South Africa in an even more frantic and ruthless manner than the founders and followers of Nazism embraced theirs.*

Therefore, any action any part of the world which tends towards the isolation of South Africa and the destruction of apartheid which gives hope to the Black peoples fighting the fascist Botha regime, is action to be applauded and encouraged.

Full praise must go to all those Leaders of the Trade Union movement which have announced their intentions to organise specific boycotts against the British cricket team due to come here soon, and *full praise* to all those individuals and

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TRINIDAD AND TOBAGO

LOSS FROM OIL PRODUCTION, PRICE DECLINES FORECAST

Port-of-Spain TRINIDAD GUARDIAN in English 20 Feb 86 p 3

[Text]

BASED on an estimated daily production of 175,000 barrels of oil, the Government stands to lose approximately $184 million this year and would continue to lose this amount annually for every (US) $1 drop in the price of oil, according to Money Managers Limited.

The firm noted that preliminary figures for 1985 revealed that revenue from oil was $2,291 million, or 37 per cent of total recurrent revenue.

Original estimates of recurrent revenue for 1986 had forecast oil income at $1,915 million or 33 per cent of revenue. But with the devaluation of the Trinidad and Tobago dollar the figure jumped to $3,222 million or 43 per cent of total recurrent revenue.

Money Managers said it was not clear what oil price was used as a base for Government's revenue projection. Neither was it clear what prices various grades of local crude were fetching on international markets.

However, the firm said it was patently obvious that unless oil prices recover significantly — and that was seeming less and less likely — the Government would face a substantial shortfall in its earnings from oil.

Money Mangers noted the precipitous decline in petroleum prices over the past few weeks — a decline that has created a stir among oil producing countries and the financial institutions that have lent some of them considerable sums of money.

Little Information

It noted that from a price of (US) $26.55 a barrel on January 6 last, Brent crude, the leading spot or free market grade, closed at (US) $17.10 on February 14.

While observing that much has been written about the likely effect on both oil producers and consumers, the firm said little specific information has been provided about the implications for this country's foreign exchange earnings and fiscal revenue if oil prices remain depressed.

It also noted that one effect of the devaluation was to place greater importance on oil income since oil was sold in US dollars while production expenses were in TT dollars. Hence projected oil revenue increased by more than 50 per cent — from $1,915 million to $3,222 million.

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TRINIDAD AND TOBAGO

CARONI-SUGAR WORKERS DISPUTE BECOMES MORE HEATED

'Malicious' Fires

Port-of-Spain TRINIDAD GUARDIAN in English 21 Feb 86 p 1

[Excerpt]

SAN FERNANDO — GENERAL Manager Russel Wotherspoon of State-owned Caroni (1975) Limited said yesterday that the sugar industry was going through a time of crisis and the company was extremely concerned. There were 138 malicious cane fires during the past week.

All Trinidad Sugar and General Workers' Trade Union had not advised the company of any dispute and it was only through the media the company learnt about the work-to-rule and other actions, he added.

Asked whether he believed that the crisis he referred to could lead to a state of emergency in the sugar belt, Mr Wotherspoon said: "I cannot predict that."

Speaking at a news conference held at Sevilla Club, Brechin Castle, he explained that when he spoke about a crisis, that crisis was in terms of Caroni Limited — the effects on the company's crop, projections for the crop, income target and the effects on cane farmers.

Mr Wotherspoon warned that the current industrial relations problem, if it escalated, would affect not only the 1986 crop.

898 Cane Fires

If Caroni and farmers do not reap all the cane and leave cane abandoned in the fields, next year would be one of low yield and production would be low, according to the Caroni General Manager.

Questioned on political interference in operations, Mr Wotherspoon said: "There is no political direction or interference with decisions I and the management of Caroni are making."

Asked whether the regular Police were called in to protect workers who wished to work, Mr Wotherspoon said: "Yes".

He added: "We consider that there is the possibility of a crisis in the sugar industry — a crisis as far as the management of the company is concerned in that our plans and programme for the 1986 crop could well be placed in jeopardy.

He said cars of employees were damaged at Ste Madeleine, workers were being prevented from working and there was a spate of malicious cane fires over the past week — 138 — burning 24,000 tonnes of cane. The company had to abandon 10,000 tonnes of cane. Total number of fires for the year so far was 898.

'Political Interference' Charge

Port-of-Spain TRINIDAD GUARDIAN in English 22 Feb 86 p 6

[Text]

SAM MAHARAJ, General Secretary of All Trinidad Sugar and General Workers' Trade Union, has criticised General Manager Russel Wotherspoon of Caroni

(1975) Limited for saying at a news conference that there was no political direction or interference with decisions he and the management of Caroni were making.

Mr. Maharaj said Mr. Wotherspoon and the company as a whole were carrying out political decisions and in fact there was political interference in the operations of the company.

He referred to a letter dated February 11, 1985, sent by Minister of State Enterprises Ronald Williams to the Chairman of Caroni's Board, Frank Rampersad, regarding the company's appeal against the pay rise award of the Industrial Court.

Mr. Maharaj said that Mr. Williams advised Mr. Rampersad in that letter that Caroni had an obligation to exhaust all the remedies available to it, "not excluding an appeal," before approaching the shareholder to provide the additional funds which the company required. It was a reply to Mr. Rampersad's February 8, 1985 letter. Mr. Rampersad had informed the Minister that following a meeting of the Caroni Board held on February 8, 1985, to consider the decision of the Industrial Court, the Board, by consensus decided that it would not be beneficial to the company to appeal.

Mr. Maharaj recalled too, that Mr. Rampersad had also informed Mr. Williams that the shareholder should be required to provide the funds to meet the award.

From the communication to the Caroni Board by Mr. Williams, it was quite clear that there was political interference, Mr. Maharaj added.

Judges On Contract

Opposition Leader Basdeo Panday, President of the sugar union, said the Industrial Court should be impartial and free from outside influence in its administration of justice.

"However, it appears to us that Government is trying to undermine the integrity and impartiality of the judges," said Mr. Panday, as he referred in particular to Caroni's appeal against the Court's award.

Asked to comment on certain statements reported to have been made by the President of the Employers' Consultative Association (ECA), W.A. Hilton-Clarke, with reference to the Industrial Court, Mr. Panday said that judges of the Industrial Court were on contract.

Instead of Government giving them security of tenure as in the case of High Court judges, the Industrial Court judges were being appointed on contract. "No matter from what quarter, whether from labour, business or Government, no attempt should be made by anyone to try and influence them," he added.

Mr. Panday, a barrister, said he was somewhat surprised to learn that Mr. Hilton-Clarke said the Court needed to be in tune with the realities for employers brought on by the recent economic past, playing a major role in reshaping compensation packages for workers.

Meanwhile, Trinidad Islandwide Cane Farmers Association (TICFA) has renewed its call for changes in the Board of Directors of Caroni.

The association's general council met on Thursday afternoon at head office, Sutton Street, San Fernando, and unanimously passed a resolution calling for the change.

Panday Remarks

Port-of-Spain EXPRESS in English 22 Feb 86 p 32

[Text]

ALL Trinidad Sugar and General Workers Trade Union leader, Basdeo Panday, told sugar workers to walk with their "tools of trade" when they go into the sugar fields today to seek work contracted out to mechanical harvesters.

Said he: "We will do all in our power to stop the contracted mechanical harvesters from operating on weekends if it means confrontation."

Panday addressed hundreds of sugar workers in the Ste Madeleine Methodist churchyard on Thursday evening. The workers came out to hear what should be done as the union intensified the struggle to force state-owned Caroni Ltd to withdraw the appeal against the wages and cost of living allowances awarded by the Industrial Court.

Said Panday: "If the cutter-/bundlers cannot get work, then the contractors will also be without work. The agreement says, that contractors should not be employed by the company in areas where company workers are available. The company is violating the agreement on this issue."

Panday told the sugar workers not to handle farmers canes on weekends. Said he: "The cane farmers will understand the situaton. We don't want to hurt the farmers. But this is a bigger struggle which transcends the individual farmer. They will understand that sugar workers are in a struggle for wages and this was an important struggle."

He praised the support given to sugar workers by Oilfields Workers Trade Union leader George Weekes, National Workers and Farmers Union leader Raffique Shah and its vice president Boodram Jattan.

He said the cane farmers were sympathetic to the cause of sugar workers. Panday said the Trinidad Islandwide Canefarmers Association (TICFA) chairman Seepersad Arjoonsingh presided over a "paper organisation" which collected members "here there and everywhere" in order to put up a show before television cameras."

Panday told sugar workers the union will never intimidate or prevent those who wanted to work to do so. Said he: "I have worked very hard to remove thuggery, violence and personal attacks from the struggles of the sugar union. We don't burn down people's houses or smash their cars or beat them up. This was a thing of the past.

"So I regard it as an insult for anyone to accuse us of intimidatory tactics against our own members. My friends, if you want to crawl to work on Saturdays and do overtime, you can do so. But you must not hide to do it. You must walk with your head straight and betray your colleagues and then God be with you if you could live with your conscience," he said.

Shutdown of Company

Port-of-Spain SUNDAY GUARDIAN in English 23 Feb 86 p 1

[Article by Mikey Mahabir]

[Text]

SAN FERNANDO — THE work-to-rule instituted by sugar workers, which is in its third week, has hit state-owned Caroni (1975) Ltd., to the extent that there is a complete shutdown of operations.

The company was unable to operate its factories yesterday, and today there will be a shutdown as well.

The Brechin Castle and Ste. Madeleine factories milled whatever cane was available on Friday night and completed grinding-off operations yesterday morning.

A company statement issued yesterday through Public Relations Manager Tony Deyal said the company was unable to offer employment to certain factory and transport shifts yesterday and today.

The employees have cut out overtime and have decided not to work on weekend after completing their 40-hour work week, Monday to Friday, in order to press the company to withdraw its appeal in the wages issue.

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TRINIDAD AND TOBAGO

ROBINSON INTERVIEWED AS NAR ABSORBS OPPOSITION PARTIES

Port-of-Spain SUNDAY GUARDIAN in English 23 Feb 86 p 5

[Article: "The Final Step--One Party"]

[Text] Special conference of the National Alliance for Reconstruction (NAR) takes place today at the Seamen and Waterfront Workers' Trade Union Hall, Wrightson Road, Port-of-Spain.

The conference is the final step towards achieving total unity of the NAR and has been described by political pundits as "an historical event."

With the coming into being of the NAR, the opposition parties forming the Alliance will cease to exist. These are the National Alliance, which comprises the United Labour Front, the Tapia House Movement and the Democratic Action Congress (DAC), and the Organisation for National Reconstruction (ONR).

The two deputy political leaders are Karl Hudson-Philips, who heads the ONR and Basdeo Panday, National Alliance Leader and Opposition Leader in Parliament.

The NAR constitution also will be presented today and members of the various parties will all become members of the NAR.

Burning Desire

The move towards formation of the NAR began more than two years ago and following lengthy discussions and what seemed to be problems over leadership, consensus was finally reached and last year Mr. Robinson was elected political leader.

The parties getting together had one thing in common--a burning desire to offer an alternative to the ruling People's National Movement (PNM).

The four groups within the NAR are of different political backgrounds.

The ULF is a splinter group from the old Democratic Labour Party (DLP). It was traditionally the parliamentary opposition and drew most of its support from the rural East Indian based community.

The DAC was the first PNM breakaway group and its leader (Mr. Robinson) was himself a former deputy leader of the PNM.

The ONR is another PNM breakway group, led by Mr. Hudson-Phillips who was a top PNM lieutenant.

Tapia, formerly led by university lecturer Lloyd Best, comprised largely academic backroom men. While their ideas were respected they were never translated into votes.

Althoug the ONR mustered a large following and received 22 percent of the votes in the last general election, the votes were scattered and the party failed to win a seat.

In 1983 in a tentative accommodation, the parties were able to inflict defeat on the PNM in the local government election in PNM strongholds in the East/ West corridor.

Then the PNM retained the control of the four municipalities and lost out in the county councils. However, even in the municipalities of Port-of-Spain, Arima and San Fernando, the ONR and the Alliance made inroads, winning seats in the three councils for the first time since the PNM took control of them.

The victories by the "accommodation" opened the eyes of the opposition groups, and unity talks began seriously.

The DAC already had won the general election in Tobago and was also in control of the Tobago House of Assembly.

The results of opposition unity showed the opposition that "something could be done by them together."

And while it could be said that what happens in a local government election will not necessarily happen in a general election, the PNM recognised the signs.

A Warning

Following the local government election, Rep. Overand Padmore, the PNM's spokesman at the time, described the results as a "warning" to the party.

A look at the state of the parties based on votes polled in the 1981 general election shows that the ULF got 61,781 votes and captured eight of the 12 seats it contested. It lost two seats which it held previously, Caroni East and Princes Town.

The DAC contested eight seats polled 15,390 votes and won the two Tobago seats. The other six were contested in Trinidad.

Tapia contested 16 seats, polled 9,401 votes but failed to win a seat.

Overall the National Alliance won 10 of the 36 seats in Parliament.

The ONR facing the polls for the first time that year, polled 91,704 votes but failed to win a seat.

The PNM, with the largest number of votes, 218,557, won 26 seats.

Today's conference brings the parties together under one banner and with one symbol prepared to contest the next general and local government elections.

Below SUNDAY GUARDIAN writer Norris Solomon interviews Mr. Robinson on the unity of the parties.

QUESTION: Mr. Robinson, as leader of the National Alliance for Reconstruction, could you give an update of the situation leading up to and plans of the parties for getting together? What generally is the situation and the purpose?

MR. ROBINSON: As you will remember, the NAR was started by a number of parties, the United Labour Front, the Democratic Action Congress, the Tapia House Movement and the Organisation for National Reconstruction, coming together in order to form an effective opposition as an alliance or combination of parties.

Strictly speaking, the DAC, the ULF and Tapia had previously combined to form the Alliance.

So that the major groupings came together to form the NAR.

We started out as a virtual coalition, but the process of unity has deepened or continues to deepen. The population has shown clearly that its wish is that we should move into a unitary party.

The rank and file is of the view that the leadership is reflecting that view and has done so in public statements on the platform. This movement will culminate at the special conference of the Alliance and the ONR (today).

At the conference we will adopt a new constitution which will cement the unity of the parties in one organisation. The parties will be amalgamated into one unitary party, the National Alliance for Reconstruction.

It is thus a significant milestone in the development and the evolution of the NAR and party politics in Trinidad and Tobago.

Election Campaign

We have been working towards a more comprehensive statement of policy called Platform for Change which will eventually form the basis of our election campaign and will be presented to the country in due course.

QUESTION: What will be the position of the parties after Sunday's conference?

MR. ROBINSON: They will cease to exist. We will then have a grand party, the National Alliance for Reconstruction. All the others will cease to exist.

QUESTION: What about the constitution?

MR. ROBINSON: The constitution has been considered by the executive and the council ... the council of the National Alliance ... and will be presented for final approval at the special conference.

QUESTION: How do you see the situation?

MR. ROBINSON: I think the stage has now been set for the purpose of an effective challenge to the People's National Movement. All indications are that the PNM is on the defensive and it recognises the force of the challenge and that the National Alliance for Reconstruction is well on the way to forming the next government in Trinidad and Tobago.

QUESTION: What is the situation with your election plans and your campaign to form the next government?

MR. ROBINSON: We have a very carefully prepared and detailed plan of action designed to be in a state of readiness for a general election by April of this year. We anticipate that the pressures will increase more and more on the PNM and the political leader of the PNM to have an early election.

Electoral Battle

The economic situation is deteriorating. Finances of the Government are in chaos. The effects of devaluation will be increasingly felt as time goes on. So that the temptation' and pressues will be extremely great on Chamber's for an early general election.

QUESTION: Could you elaborate on the plans?

MR. ROBINSON: The organisation is proceeding in the constituencies. They are working very hard on the purification of the list of electors and generally organising for the electoral battle.

QUESTION: How of you view the formation of the NAR, the getting together of the parties as one entity?

MR. ROBINSON: I think that it is a very significant step in the politics of Trinidad and Tobago and has been long overdue. It is quite clear that if there had been a unified opposition to the PNM in the last ten years or so we would have had a change of government.

This assessment is supported by experiences of the 1981 general election the 1983 local government election, and recent soundings of public opinion polls. It is also supported by the general elections and the House of Assembly election results in Tobago since 1976.

QUESTION: Do you foresee any problems to the amalgamation from the general membership of parties?

MR. ROBINSON: It is not true to say that it was the executive and the leaders' decision to amalgamate. At the last meeting, a conference of the Alliance, held I think in June, a resolution was adopted at that conference by the rank and file urging the complete unification of the parties and my information is the rank and file desire in the ONR, as expressed at its last conference, was in the direction of unification.

My own contact with members of both parties confirms overwhelmingly the desire of the rank and file for unification.

QUESTION: How do you see the present political position in Trinidad and Tobago?

MR. ROBINSON: I think that the mood of Trinidad and Tobago at the present time is definitely that of a society gearing for change. This is clearly reflected in the Carnival celebrations and in the impact made by Senator Lincoln Myers's fast on all sections of the population.

It is a most unusual thing in Trinidad and Tobago for such a step to have been taken in politics, and particularly during the Carnival celebrations. The fact that it was taken seriously and was supported so widely and by such diverse groups in our society and individuals is a very significant pointer to the future.

Political Force

Public meetings of the NAR have been well attended, virtually up to Carnival and generally there has been a seriousness demonstrated by the population in Trinidad, particularly at this time, that in my recollection was only present in 1970.

QUESTION: You mention 1970. Do you think there will be a repeat or any similar activities?

MR. ROBINSON: I do not think there will be a repeat of 1970 because, from my observation, the population of Trinidad and Tobago sees the NAR as a channel through which they can express the desire for change and give effect to it.

There is no doubt at all that the NAR has emerged in the eyes of the population as a serious political force with the capacity to bring about decisive change in Trinidad and Tobago.

Recent events have clearly shown that the Prime Minister of this country is a lost soul and he has failed to act decisively on all of the major issues confronting Trinidad and Tobago — a declining economic situation, our relations with our Caribbean neighbours, the issue of accountability and standards of conduct in public life and inefficiency of bureauracy, as well as failure of industrial thrust in the energy-based industries.

His reputation is at an all-time low in the Caribbean, in Trinidad and Tobago and possible even in his own party. This is precisely because of lack of positive policies on the part of the Government.

The NAR will pursue policies in the direction of Caribbean Unity and Caribbean integration in respect of diversification and broadening the base of the economy and creation of jobs.

In respect of accountability and standards of conducts in public life, we will introduce legislation called for by the Trinidad and Tobago Constitution, which the PNM has deliberately refused to introduce for the last ten years.

Major Programme

We will pursue a more dynamic and purposeful policy in a search for new trading partners an expansion of trade with existing partners, and above all will foster a new spirit of self confidence and self reliance and the kind of spiritual regeneration that must be the basis that must underline a major programme of reconstruction in Trinidad and Tobago.

QUESTION: With the disbandment of the parties, how do you see the membership of the NAR, in terms of rank and file? How will you endeavour to secure membership?

MR. ROBINSON: In so far as membership is concerned, the consitution provides that all members of the parties to the NAR before the amalgamation will automatically become members of the National Alliance for Reconstruction. On coming into being the National Alliance for Reconstruction will then have its register of members.

Provision will be made for annual subscription as well as voluntary subscriptions and donations. New members will be required to fill in application forms for membership.

QUESTION: How do you view the decision of the other parties (excluding your DAC) to amalgamate as one entity?

MR. ROBINSON: I think it has been a great act of statesmanship on the part of all parties involved and I publicly commend Basdeo Panday and Kari Husdon-Phillips on their readiness to place the interest of the country at large first and foremost in their considerations.

I have absolutely no doubt whatever of their commitment to make the party succeed and to work together with me in the interest of Trinidad and Tobago.

QUESTION: You spoke earlier of preparations for elections. Does that include selection of candidates?

MR. ROBINSON: We are in the process of taking the necessary steps to ensure that is done in time for any snap election.

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CSO: 3298/346

TRINIDAD AND TOBAGO

BRIEFS

NEW MINISTER--New Minister of Sports, Culture and Youth Affairs is Mrs. Muriel Donawa-MacDavidson. She succeeds Dr. Basil Ince. Prime Minister George Chambers yesterday requested President Ellis Clarke to revoke Mrs. Donawa-MacDavidson's appointment as Parliamentary Secretary in the Ministry of Local Government and Community Development. Mr. Chambers also selected southerner Mr. John Commissiong as the Senator succeeding Dr. Ince in the Upper House. Dr. Ince was recently appointed High Commissioner to London. Mr. Commissiong, former President of the Trinidad and Tobago Table Tennis Association, is a training officer with the National Insurance Board. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 15 Feb 86 p 1] /9274

ENVOY TO CANADA--Retired Hospital Medical Director, Dr. David Quamina, 63, has been appointed Trinidad and Tobago's High Commissioner to Canada. Dr. Quamina, who has had a long career in medicine, including hospital appointments in both the United Kingdom and Trinidad and Tobago, was Hospital Medical Director at the Port-of-Spain General Hospital from 1970 until his retirement in 1982. Currently, he is Consultant Detmatologist in the Ministry of Health and Environment. Dr. Quamina was awarded the Medal of Merit (Gold) national award in 1983. His wife, Dr. Elizabeth Quamina, is Principal Medical Officer in the Ministry of Health and Environment. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 21 Feb 86 p 1] /9274

CSO: 3298/346

END

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25 March 1986

Latin America Report

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INTER-AMERICAN AFFAIRS

EL SALVADOR, GUATEMALA EXPLORE JOINT DIPLOMATIC MISSIONS

Guatemala City PRENSA LIBRE in Spanish 30 Jan 86 p 2

[Text] Salvadoran Vice President Dr Rodolfo Castillc Claramount yesterday told Foreign Minister Mario Quinonez Amezquita that El Salvador and Guatemala ought to establish joint overseas diplomatic missions to save large amounts of foreign exchange.

The Salvadoran dignitary arrived here yesterday morning to pay a goodwill visit to the country's new president, Vinicio Cerezo. They also exchanged views on issues of common interest to the two countries.

Interviewed by PRENSA LIBRE at the National Palace, Dr Castillo said that he and Foreign Minister Quinonez Amezquita discussed various issues, among the most important the proposal to set up joint diplomatic missions in several countries, an electricity hookup between Guatemala and El Salvador, and the development of border areas, especially the Paz River.

He explained that these projects are of great importance because they will benefit our communities. Asked about the problem of political violence in his country in recent years, he emphasized that the rebels "have lost any chance of coming to power by force of arms; they are virtually defeated."

"They are now engaging in desperate, typically terrorist acts, such as destroying bridges and transmission towers, setting fire to farms and food warehouses, acts that have greatly hurt the nation's economy.

"The insurgents have lost all chance of making headway and have gone back to the guerrilla warfare phase, both urban and rural, but they have no future. Moreover, they have lost all their grassroots support."

With regard to the measures that his country has taken to straighten out its economy, he indicated that "they were not taken on the spur of the moment; much less are they hit and miss measures."

"For example, the devaluation of our currency was discussed at length with leaders of various sectors; the people knew that it was coming in view of the drop in the buying power of the Salvadoran colon.

"Concurrently, however, the wages of civil servants have been boosted by 15 percent and the wages of rural workers by 35 to 70 percent.

"We are calling on private enterprise to follow the government's lead and boost the wages of its employees. In addition, school tuition and the prices of medicine, medical, laboratory and hospital services, and basic consumer goods have been frozen.

"To make up for shortages of certain pharmaceutical and medical items, the government is looking into the purchase of equipment overseas to set up a complete laboratory in El Salvador that could produce the medicines we need.

"The banks have also received instructions to give loans to anyone who wants to start a small business."

Dr Castillo emphasized that in taking all of these steps, his country wants to double production so that it can boost its sales on foreign markets. "This is the only way that we can overcome the crisis plaguing us today," he said in conclusion.

The Salvadoran vice president was accompanied by his country's director of protocol, Dr Rafael Zaldivar Brizuela, and by its ambassador in Guatemala, Dr Oscar Echeverria.

8743
CSO: 3248/264

CUBA CALLS FOR TALKS WITH GUATEMALAN INSURGENTS

Guatemala City PRENSA LIBRE in Spanish 6 Feb 86 p 16

[Text] "I reject Fidel Castro's statements supporting negotiations with the Guatemalan guerrillas," Congressman Alfonso Cabrera, the president of the Congress of the republic, stated yesterday.

Speaking in Havana at the Third Congress of the Cuban Communist Party, the Cuban leader said that he was willing to talk over his differences with the U.S. Government and spoke of a negotiated settlement with the Salvadoran and Guatemalan guerrillas.

"I reject his statements, because we believe in the self-determination of peoples, and as a sovereign country we do not accept any outside judgment as to what the answers ought to be, inasmuch as we have the ability to solve our own problems and we have demonstrated political maturity and a sense of responsibility."

Continuing his comments on a dialogue with the guerrillas, Cabrera indicated that the government would have to determine what kind of dialogue is meant, "inasmuch as those of us in government are creating the groundwork for strengthening democracy in Guatemala. The competition is political, not military, and thus there can be no negotiations. The people did the negotiating at the ballot box and with their votes freely chose the government they wanted."

"The armed groups do not have to wait for any sort of invitation to become involved in politics. The new constitution guarantees this right to all groups. This is something new, as the Communist Party used to be outlawed."

As an example of the move towards democracy, the Democratic Socialist Party is about to register legally and already has two legislators in the Congress of the Republic.

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CSO: 3248/264

INTER-AMERICAN AFFAIRS

GUATEMALA EXCLUDES BELIZE FROM CENTRAL AMERICAN PARLIAMENT

Guatemala City PRENSA LIBRE in Spanish 7 Feb 86 p 60

[Text] Guatemala could not allow Belize to sit in the Central American Parliament because it is not recognized "by us either as a State or as an independent territory," Foreign Minister Mario Quinones Amezquita said yesterday.

The minister told reporters at a press conference in his office that "President Cerezo has been seeking a way to set up the Central American Parliament as a forum in which solutions to the region's problems can be discussed and identified."

"Our country," he underscored, "could never accept Belize as a member of the parliament. In any event, the other countries that eventually form the parliament would have to decide whether to admit Belize or Guatemala.

"The Guatemalan Governemnt's position is to continue talking with the United Kingdom to come up definitive solutions to the age-old dispute; meanwhile, however, we do not recognize Belize as an independent State, nor do we recognize its borders.

"Our claims must be directed to England; the Belizeans can be present, if they wish, but as observers. And any decision on a final solution will have to be put to a referendum of the Guatemalan people.

"The people must have the last word on the issue. Meanwhile, we will keep on negotiating with the United Kingdom so that any decision that might be made is honorable and worthy for Guatemala."

Minister Quinones Amezquita underscored that Belize could definitely not sit in the Central American Parliament, an exclusion that President Cerezo is promoting.

He added that the issue would be taken up officially at the summit meeting of Central American presidents, which will probably be held in June or early July in the city of Esquipulas.

"For now we hope only to reach an agreement with the president-elect of Costa Rica after Costa Rica's Supreme Electoral Tribunal hands down its verdict on the election results."

The whole world knows that Dr Arias was the winner, but in the case of official matters, official word must be awaited from the Supreme Electoral Tribunal.

"We will get in touch with the president-elect or else with the foreign minister to be, to see if we can agree on whether the meeting in Esquipulas should be before or after the inauguration."

8743
CSO: 3248/264

ARGENTINA

REPORT SHOWS NAVAL INDUSTRY FACING WORSE CRISIS IN 1986

Imports Hurt Local Shipbuilders

Buenos Aires CLARIN in Spanish 15 Dec 85 pp 8-9

[Article by Alberto Siglioccoli]

[Text] "At the present time, 60 percent of all registered ships are imported. In this connection, when there were problems selling our exports of products such as meat, we negotiated contracts for the purchase of boats, with Spain being the main beneficiary," CLARIN was told by one source in the sector of the private industrial shipyards.

A boat purchased abroad must logically be paid for totally in foreign exchange. In contrast, one built at home requires only 25 percent foreign currency, since the rest is paid in labor and national consumable expenditures.

Without taking into consideration the subsidies granted to shipbuilding by nearly all countries in the world, Argentina is practically on the same level of the international price, Argentine builders say. This is scarcely 1 or 2 percent over Japan's cost and a similar percentage under England's.

And yet, over 150 used boats have been imported in recent years, 80 percent of which had to retire before completing 2 years of service due to their advanced obsolescence. This caused serious additional harm to our already negative balance of payments as well as the high foreign debt.

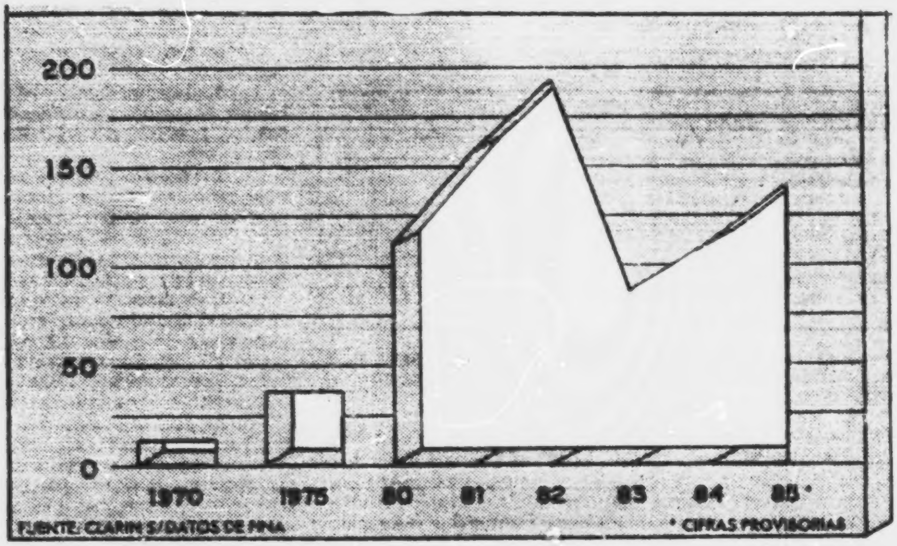
More than 2 years ago, public shipbuilders -- including ELMA [Argentine Shipping Lines], the YPF [Government Oil Deposits], the YCF [Government Coal Deposits] and the National Directorate of Ports and Navigable Waterways -- have not placed a single order with local shipbuilders. The last one dates from 1982, since which time there have been no new contracts in the area of transport, which means a 30 percent rate of use of installed capacity, based on statements from industrialists.

As a result of this drop in domestic demand, production of the heavy naval industry declined 55 percent in 1983, compared with the record level of 195,000 tons dead weight registered in 1982. In 1984, construction earmarked for export increased shipyard activity, which trend extended until 1985, but the tonnage produced this past year is nearly 30 percent under that registered in 1982. It should be emphasized that in 1984 and 1985, the work of the shipyards was exclusively due to purchase orders from abroad.

Five years ago, 148 shipyards were in operation. Of these, 25 corresponded to heavy industry, 64 to light industry and 59 to cottage shipbuilding. At the present time, in contrast, the total number of shipyards in operation is scarcely 57. Of that figure, 15 are in heavy industry (3 large vessels, 3 medium, 4 small and 5 fishing boats), 40 in light industry and only 2 left in cottage shipbuilding.

In the past 5 years, one large and two medium-size builders closed their doors for good. At the present time, two large shipyards, as many medium-size builders and one smaller operation have halted work, while other shipyards have had to go into repair or different sorts of hydroelectric work in order to survive.

Production of Shipyards (in thousands of tons dead weight)



Source: CLARIN S/FINA Data. Provisional figures.

No new contracts are in sight for the domestic market and it may be impossible to compete on the international market which, being based on subsidies, leaves the Argentine shipbuilding industry out of the competition. In Great Britain, the subsidy granted to naval production is between 18 and 27 percent; in Italy, 25 percent; and in Holland, between 8 and 11 percent, while Japan and Korea work with concealed subsidies.

All of these factors combine to form a gloomy picture whose future prospects are gradual paralysis, according to entrepreneurs in a sector such as shipbuilding, which has a great fallout effect on the local industry.

Loss of Cargo

Some 98 percent of our country's commercial trade is done by maritime shipping, but of that total, national flagships carry only 30 percent, meaning that we are far from the guidelines of Law 18,250, which sets a goal of 50 percent of all cargo generated by foreign trade for national flagships.

This results in a significant loss of foreign currency for the country. Between 1976 and 1982, for example, the total freight generated by Argentine foreign trade amounted to $9.8 billion, of which some $6.6 billion were turned over to foreign shipowners.

The naval industry has two basic markets. Until 2 years ago, the main market was the domestic market, now practically nonexistent, to which most production was addressed. As an alternative or on a complementary basis, the export market was handled next.

However, as a direct result of the loss of revenue collected by the National Merchant Marine Fund in January of 1981, private merchant fleets remained without financing and the same is true of the fishing fleets. Consequently, public shipowners have ceased placing purchase orders since 1982 and construction for private owners has been financed with resources that have proved to be inadequate for maintaining an appreciable level of activity in the shipyards.

Foreign Market

Given this uncertain picture, at the beginning of the 1980's, the naval industry turned to the international market, channeling its production toward foreign countries. As the result of this effort, local shipyards obtained several large contracts for the contruction of large cargo ships and an offshore oil rig totaling $400 million, to be spread over 3 years.

When the contracts were signed, the existing system of promotion provided for the collection of reimbursement for the naval industry on the order of 25 percent, plus an additional 5 percent from new markets. These benefits were initially cut in 1982 and dropped to 0 in 1985, turning into 6-percent export duties that had to be paid by the shipyards in June of this year.

Consequently, the cancellation of the reimbursement system resulted in major losses for firms in the sector. This critical situation, originating in the total elimination of tax reimbursements, is joined by Circular No 793 from the Central Bank, modifying the export prefinancing system and thereby determining that any fabrication of capital goods with a period of over 180 days would be impossible to face.

Exports of the naval industry were very great during the period of these contracts, going from $23 million in 1983 to $100 million so far in 1985. But entrepreneurs say that given the current conditions, the export alternative of the shipbuilding industry is being rapidly exhausted.

Canceled Contracts

The last vessel covered by previous agreements will be delivered before June 1986, before new export contracts worth between $600-$700 million and extending over 3 to 4 years even go into execution. This will cause shipyards unrecoverable losses.

The Argentine naval industry represents only .5 percent of the world shipbuilding industry. In contrast, Japan monopolizes some 50 percent, while Brazil and Spain have 15 percent each.

The production capacity of the Argentine naval industry, with 350,000 tons dead weight a year, is scarcely 1/10 the potential of the Brazilian shipbuilding industry, which amounts to 3.5 million tons. In addition, while the Brazilian industry has always maintained 80 percent of its installed capacity occupied, the local industry did not exceed 50 percent continuously even in the best of times.

Manufacturers in the sector suggest that the system of tax refunds be reinstated, which in the case of the naval industry has particular significance, inasmuch as export contracts generate immediate revenue for the treasury from the time they are initiated, through greater activity of the competing industry. However, these taxes are not returned by the government until years later, when the operation is completed.

At the present time, there are only a few plans for construction on the part of the Argentine Shipping Lines (ELMA). Reestablishment of the National Merchant Marine Fund had no positive effect due to the fact that the drop in volume of foreign trade and therefore, of cargo, practically eliminated funds collected in that manner, with the first bidding for construction of units to come about before the end of the year.

By virtue of Law 23,103, duties on export and import cargo were set at 2 and 12 percent respectively. Consequently, only $50 million would now be collected and even these funds are not available -- earmarked for other purposes. In the best of cases, they scarcely stretch to build two and a half vessels.

Exports (in millions of dollars)

1982	1983	1984	1985
57	23	74	100

Production (in thousands of tons)

	1982	1983	1984	1985
Domestic market	177	74		
Exports	18	13	110	140
Total	195	87	110	140

Annual Installed Capacity

Oceangoing vessels	300,000 tons (dead weight)
River, lighterage and special boats (including tugs)	150,000 tons (dead weight)
Oceangoing fishing boats	100 units
Light, recreational boats and port service vessels	10,000 units

Export Promotion

	Upon Signing of Contracts (prev. Jan 81)	Upon Export (after Jan 81)	June 1985	Present Time
Value of Contract	100	100	100	100
Tax or export duty refund	25	10	(6)	
New markets	5			
Shipyard price	130	110	94	100
Minus:				
Manufac. cost	(125)	(125)	(125)	(125)
Profit (or loss)	5	(15)	(31)	(25)

Fleet Modernization Urged

Buenos Aires CLARIN in Spanish 15 Dec 85 pp 10-11

[Text] "Before the end of this year, there will be bidding for the construction of two vessels financed by the National Merchant Marine Fund, but this is the only project on the drawing board for next year," CLARIN was told by the national director of the naval industry, Hector J. Borlandelli, whose ideas are as follows:

The Argentine naval industry is going through some of its most difficult times. This situation has not come about suddenly, but rather, reflects the country's vicissitudes over recent years, which have resulted in a lack of continuity in the execution of construction plans and a lack of financing.

No Financing

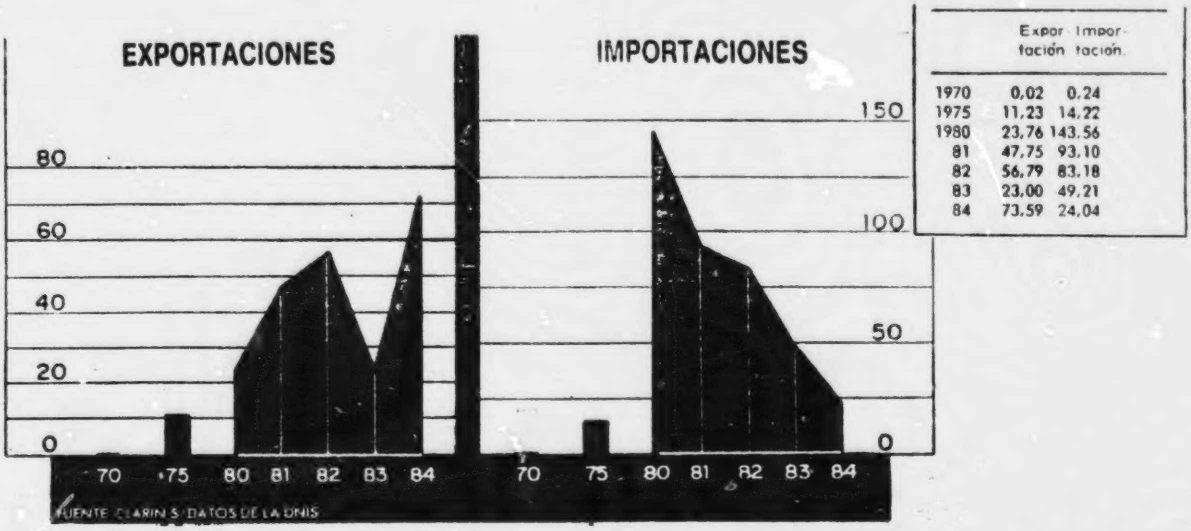
The National Merchant Marine Fund is the only credit accessible for private owners for the purpose of shipbuilding in the country. At the present time, there are problems preventing the execution of such financing, as well as the development of the 1985-1989 Construction Plan announced at the beginning of this year.

Among the basic problems faced by the government in carrying out the plan is that of emphasizing the drop in volumes of foreign trade and cargo, which caused a drop in funds collected by the National Merchant Marine Fund and the compulsory contribution to the National Treasury of 8.78 million australs from that fund during this fiscal year and a similar sum next year.

The drop in funds available from the National Merchant Marine Fund from the different contributions to be made by the Treasury endangers compliance with the the 19 existing shipbuilding contracts, with the resulting damage to the administration, inasmuch as, if the vessels are not built, the corresponding credit amortizations will not take place.

For its part, the National Development Bank has a line of credit earmarked for the construction of fishing boats, whose benefits have been requested in principle for 15 boats for a private company. However, the point of conflict lies in the lack of funds to effect such financing.

Foreign Trade; River and Oceangoing Vessels (in millions of $)



	Expor-tación	Impor-tación.
1970	0,02	0.24
1975	11,23	14,22
1980	23,76	143.56
81	47,75	93,10
82	56,79	83.18
83	23,00	49,21
84	73,59	24,04

Source: CLARIN S/DNIS Data

There is an urgent need to modernize our country's fishing fleet and numerous owners are interested in having local shipyards do such construction. In this connection, the BCRA [Central Bank of the Argentine Republic] has been asked to obtain a rediscount line from the National Development Bank so that the latter may effect the credits.

Disinvestment

There is no question that this industry is going through a disinvestment process, but if the shipyards want to survive the crisis, they will have to seek foreign markets.

The government cannot relieve the sector's current situation and has consequently asked entrepreneurs to move toward a technological reconversion.

The prospect of drafting a new shipbuilding plan is poor as long as the National Merchant Marine Fund does not recover the genuine function for which it was created. However, before the end of this year, there will be bidding for construction of two river-oceangoing vessels financed by the Fund. This is the only project for next year!

Prospects for Sector

1985-1989 Plan, Nonviable

The shipbuilding plan announced in April involves plans for 1985 to 1989:

5 60,000-ton ships for bulk cargo
2 45,000 ton ships for bulk cargo
1 river tanker
6 river-oceangoing barges
18 1,500-ton barges
10 300-ton barges
3 tugboats (pushing)
4 tugboats (pulling)
5 river-oceangoing tugboats

Existing Contracts

1 ship to transport chemical products; owner, Conapa, Inc. Construction, Astilleros Corrientes; signed 1982; delivery 1986.

1 8,000-ton tanker for Navenora Inc., Mestrina Shipyards, signed 1982, delivery 1986.

1 support vessel for offshore operations; owner, Tamic, Inc.; signed 1982; delivery 1986.

1 "roll-on roll-off" container ship; owner, Argentine Ferry Lines, Inc; signed 1982; delivery 1986.

3 60,000 bulk cargo vessels for Maruba SCA, Delbene, Inc., Astramar, Astilleros Alianza; signed 1982, delivery 1986.

2 Happer barges for general cargo. Owners, Alta, Inc., Astilleros Corrientes; signed 1982; delivery 1986.

Projects 1986

2 river-oceangoing ships, 28,000 tons, bidding for which will take place before the end of the year. Contracts will reportedly be signed in 1986 and construction will take about 15 months. This is the only pending project for 1986 with financing from the National Merchant Marine Fleet.

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CSO: 3348/344

CHILE

LABOR LEADERS EVALUATE EFFECTS OF PROLONGED STRIKE

Santiago ANALISIS in Spanish 21-27 Jan 86 pp 21-23

[Interviews with Roberto Carvajal and Manuel Rodriguez by Maria Olivia Monckeberg; dates and places not given; first three paragraphs are general introduction, with one-paragraph introduction to each interview]

[Text] The voice of the copper workers has again made itself heard loud and clear at a congress. After 4 days of deliberations in Rancagua, the almost 100 leaders of all the unions in the Confederation of Copper Workers (CTC) passed a series of resolutions that, like the Punta de Tralca resolutions in 1983, are cause for concern to the government and an topic of interest to most Chileans. "We once again reaffirm our commitment to democracy and our determination to achieve it in 1986, by intensifying the active and unified mobilization alongside all of the labor and social organizations that have sought and will seek this same goal," they indicated in one of their resolutions.

On the same occasion, the labor leaders elected the 15 national advisers, who in turn, after the congress, reelected the governing board, which consists of Rodolfo Seguel as president, Carlos Ogalde as vice president, Roberto Carvajal as secretary general and Roberto Lillo as treasurer. It was, in a word, another defeat for the government. The attempts to disqualify those who have risked the most were in vain. Of the 15 newly elected national advisers, 12 are members of the opposition: 7 Christian Democrats (although Julio Borquez, a standout among them, abstained, along with the government supporters, from voting for Seguel for president) and 5 from the Popular Democratic Movement (MDP). The government backers elected only one representative in Andina and another in Rancagua, inasmuch as the alleged third government man will apparently be an independent.

But above and beyond the voting estimates and the behind-the-scenes activities at the Congress, ANALISIS felt that it would be of interest to delve deeper into the challenge that the copper workers set for themselves there. To this end we spoke with two prominent leaders in recent years, who represent the main political movements in labor and who have together run the country's main union organization: Christian Democrat Roberto Carvajal and Manuel Rodriguez from the MDP.

Roberto Carvajal

Having served for 23 years as a labor leader, 20 of them in the large copper mining industry, this civil engineer who preferred to be a blue-collar worker and a labor leader has been Rodolfo Seguel's right-hand man in the CTC. A Christian Democrat and leader of the Barquito de Salvador industrial union, Roberto Carvajal (41, married, four children) was first elected secretary general of the CTC when Emilio Torres took over as president in 1982. He is now beginning his third term in office. Like most of the main copper worker leaders, he has been jailed and harassed in recent years. He feels that in Rancagua the copper union leaders once again "showed maturity, focusing on the people and our common problems as workers and as citizens."

[Question] And how do you interpret the election itself?

[Answer] It is the logical outcome of a stand that the Confederation has maintained. We feel that the workers are the ones who legitimize the actions of a leader.

[Question] Don't you start your resolutions with a political proposal?

[Answer] The first part of the resolutions sets forth a political point of view, if it can be called that. We feel and we have been stressing that democracy is the only system that can guarantee that we workers will be able to develop as citizens and individuals.

[Question] And haven't you also called for a nationwide strike in 1986?

[Answer] We analyzed this at our congress. Based on our experiences in 1983, we are aiming for an understanding [concertacion] with other social forces, because let us not forget that the copper industry is just a part, not the whole. Therefore, it would be pretentious to think that whatever we say is going to be what gets done. There are problems that affect different people differently, but there are also common problems, and one of them is the need for a democratic system...We believe that 1986 must be the year that democracy returns. And to this end we feel that the only path left to us is mobilization, as we workers have always understood it to mean.

A work stoppage is a legitimate tool that arose precisely when unions were formed. If our demands are not heeded and if the petitions that the workers have put forth on countless occasions are ignored, what other alternative is there? We have no choice but to mobilize peacefully and reach the ultimate stage, which is simply and plainly a shutdown.

[Question] An indefinite shutdown?

[Answer] Obviously an indefinite shutdown, because we cannot run the risk and be irresponsible enough to ask the workers for a 24- or 48-hour shutdown.

[Question] Now that you have held a significant congress that has passed quite forceful resolutions, have you evaluated the government's possible responses?

[Answer] Experience has taught us that when we start to discharge certain functions in any organization, we should have a basic knowledge of the facts. And on the basis of this premise, we know what we are doing and we do not believe that we are mistaken.

Here at this congress we have clearly and categorically stated and reiterated everything that we have been saying for practically 3, if not 4 years. I began in January 1982, when the copper workers formed the national board that they wanted, instead of having one imposed on them.

In April 1983, with Rodolfo Seguel as president, we copper workers categorically stated that it was no longer a question of substituting one law for another; the system itself had to change. I attach importance to the 1986 congress because it reaffirmed all of the resolutions of previous congresses. In April 1983 the CTC clearly and categorically demonstrated what its position was on the country's problems, and we also said that the only system that provided us with some sort of guarantee (we did not say every guarantee) was democracy. Unfortunately, no one has wanted to listen to us, and we have nearly been branded extremists for saying what we did. Our president has been described as a threat to society, and the only thing that he has been doing is talking for those who cannot.

[Question] What differences do you perceive between 1983 and now with regard to a social mobilization?

[Answer] Any observer can obviously perceive differences. It's a question of looking for them. We can no longer think just about the copper workers, because developments have shown that there are many more of us now. It's a question of looking at what is happening in the universities, with the students, what is happening in certain professional associations, such as the physicians, who are struggling for something just...Look at the genuine tragedy besetting the mortgagors who marched to San Cristobal. These are facts, these are peaceful demonstrations that are becoming increasingly common...Now is the time to start thinking seriously about an understanding.

[Question] Do you have a timetable for a social understanding? You have been talking about it for some time now.

[Answer] I honestly believe that if we are all capable of traveling down this road, it will probably lead to a solution. The problem of social security, the problem of health care, the problem of education, many of these problems are common to us all. When a worker comes home from his job, he turns into a resident. An understanding is especially important to us, and people finally seem to be grasping what is involved. Because an understanding does not just involve the workers, local residents and students; it includes other segments of society, professionals, trade unions, businessmen...

[Question] How necessary do you think a political understanding is, in other words, the entire opposition coming to terms on a path to follow?

[Answer] Well, the major criticism that we workers have voiced is that we have always made the big sacrifices, we have always been the cannon fodder.

We have always been the ones who paved the way so that the various political sectors could start expressing themselves. But hey! It hurts us to see when those political channels that we opened up in our country are being used for just about anything except creating a real and effective alternative for our country. And this is a criticism that I am voicing sincerely about everybody, not just a few people. Because our great tragedy is that while they debate, analyze and do lots of other things, we, the workers and the students, are still the cannon fodder.

They should get serious and do what other countries have done. Why not repeat the experience of countries as close to us as Argentina and Uruguay? There they formed the multiparty, the multi-union organization...The name doesn't matter. The common denominator there was the return to democracy...We all have to make a great effort so that this is the year of decisions. We cannot keep on waiting. Otherwise, what's going to happen to our country? This is our great responsibility to ourselves and to our children.

Manuel Rodriguez

Manuel Rodriguez Etcheberry (39, married, two daughters) is the president of the Caletones industrial union, at whose headquarters the Rancagua Congress was held. He is identified with the MDP and was once again reelected as a CTC national leader and a member of its Executive Council. Based on his experience in recent years, including some time behind bars in 1983 and his dismissal from CODELCO [Copper Corporation], he describes the recent congress and its resolutions as of "enormous importance not only for the copper workers but for the Chilean labor movement as well." He emphasizes that a specific resolution was passed calling for the drafting and presentation of a National List of Demands of the Copper Workers; the drafting has begun in recent days, and of course the list will include the problem of independent contractors, environmental pollution and various socioeconomic demands.

[Question] Along with this you took a political vote calling for a return to democracy in 1986. How do you plan to achieve this and to discharge the great responsibility that you have taken on?

[Answer] I think that the great responsibility not only of the copper workers but of all Chileans is to put an end to the dictatorship in 1986. In our political vote and in the resolutions of the congress we are calling for a work stoppage, a prolonged work stoppage. No date has been set, but the goal is a major work stoppage in Chile so that we can restore democracy.

[Question] Has the copper industry union recovered enough from the 1983 strike to stage a prolonged work stoppage?

[Answer] I have had the chance to tour the mines several times. This year, in fact, I was at the El Salvador mine and I saw how the workers have recovered. They realize that they have no other solution to their problems. Under Pinochet there is no solution. I saw at the massive assemblies at El Salvador that the workers are back. I saw once again the support we have and that the workers who are questioned by the company are not questioned by the workers. I saw a union that was full morning and night. And by their actions the workers were saying: "The wound has healed, and we realize that we have to begin again to put an end to the dictatorship."

[Question] And what about El Teniente?

[Answer] We have also seen a recovery at El Teniente. We have had major problems, and there is fear, but we ended the year well. The regional [branch] called an expanded assembly of the 6 unions, and we managed to bring together 700 people, which is a success for us, because no more than 40 or 80 used to attend the El Teniente unions assemblies after the work stoppage. And how about the Andean Division! We went to the most recent assembly of the labor union with Seguel and Carvajal and we met with broad support, as the assembly voted for Seguel to continue running the CTC.

I also saw Chuquicamata when it was practically asleep in 1983, when only 80 workers out of 9,000 attended an assembly. There has been movement there, and 1985 was crowned by an impressive march from Chuquicamata to Calama. Then six leaders went on a fast that succeeded in arousing broad solidarity from the people of Calama.

[Question] They are reportedly better off than you are now, precisely because they did not pay the price in 1983...

[Answer] We made mistakes, and Chuquicamata has learned from them.

[Question] What sort of mistakes?

[Answer] In my judgment, one of our mistakes was to call off the work stoppage on 11 May 1983 and turn it into a protest when everything was set for the work stoppage. I was strongly against this move, but the other side won in the vote among national leaders.

[Question] But that shift triggered the chain of protests...

[Answer] Maybe the work stoppage would have reinforced them, and perhaps we would not have Pinochet...

[Question] And what other mistakes?

[Answer] Staging a work stoppage for 24 hours (in June 1983). We copper workers can under no circumstances call on the workers to strike for 24 hours.

[Question] Do you think that the copper workers today have combined their socioeconomic demands and the political demand for freedom and justice?

[Answer] I talk with a lot of people, with a lot of workers, and they feel they are represented by Seguel, by Montecino, by Carvajal, by Ogalde, by Rodriguez. We have the political voice. They are with us but they are afraid of demonstrating en masse in the streets, afraid of losing their jobs, but we have to work to dispel this fear. They want democracy, they are aware that our problems cannot be solved under Pinochet.

[Question] The government went down to defeat at this congress. But don't you think that it may try to sideline and disqualify you?

[Answer] The government is going to keep on doing whatever it can to sideline us...The Labor Plan, the various moves, the absence of a Congress, everything here has been imposed. We know that this government has been imposed by the force of arms, not elected by the people.

[Question] And aren't you afraid that they will take over the CTC or take some action against you?

[Answer] I will answer you in a few words. The Chilean labor movement was not born under the protection of a law. Those are our prospects. If certain laws are ruinous for the labor movement, then we will fight to get rid of those laws and to pass just laws that represent the broad sentiments of the workers.

[Question] The labor movement was sort of waiting and seeing what was going to happen in the copper unions. What kind of impact are the resolutions going to have on the CNT?

[Answer] I think that they are going to have to have an impact, not only on the Command but on other sectors that do not belong to the CNT. We will have to get together with the CNT, with student forces, with neighborhood groups, with professionals, with the trade unions and with the political forces and talk things over properly, because this time we cannot go it alone. In 1983 we went on strike alone, and the solidarity was not what it should have been. We were just awakening, but if succeed in putting this together now, we copper workers are going to demand that the other sectors of this country join us. The trade unions are suffering under the heavy blows that the regime is administering to them. The truckers also feel that the underlying problem is not being resolved. There is a growing feeling that an answer to our problems hinges on an end to the dictatorship.

[Question] Do you perceive any progress towards an understanding?

[Answer] There has been progress, and now with the regime's response to the National Accord, well, a lot of people must realize that Pinochet does not want this sort of arrangement. So I believe that this very fact makes us realize that we can think different politically, but we have to put these things aside and realize that Chile comes first.

[Question] All in all, are you optimistic about 1986?

[Answer] I am very optimistic, but I also feel that I have a great responsibility. We have to be prepared for anything.

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CSO: 3348/434

RADICAL PARTY LEADER NAVARRETE ON PARTY'S STRATEGY

Santiago CAUCE in Spanish 3-9 Feb 86 pp 17-20

[Interview with the Ricardo Navarrete, secretary general of the Radical Party, by Eugenio Gonzalez; date and place not given; first four paragraphs are introduction]

[Text] Ricardo Navarrete Betanzo was outside Chile on 11 September 1973. As assistant secretary general of Radical Youth, he had been invited to the Autonomous University of Mexico. After hearing news of the coup d'etat, he tried to return to his homeland but got only as far as Mendoza.

He then began to travel the world: Argentina, Cuba, Switzerland, several European cities and, above all, Spain, which gave him the opportunity to continue his university studies. Graduating in economics from the Universidad Complutense in Madrid, he divided his time between his profession and politics, representing the Radical Party [PR] in all of the places in which he was forced to live.

In May 1984 he was allowed to return to Chile. The following year, more than 200 delegates from all over the country elected him secretary general of their party at their most recent national convention.

With 20 years of political activism behind him, under the Popular Unity government, in exile and now in the opposition to the Pinochet regime, Ricardo Navarrete is fully qualified to talk to CAUCE about current conditions in his party.

With a large oil painting of former President Pedro Aguirre Cerda in the background (seemingly listening to every thought that his young fellow Radical expresses), we began our conversation.

[Question] What are the substantive differences between the PR under Popular Unity and the PR today?

[Answer] The first difference has to do with the country's social conditions. In 1973 Chile was going through a period of tension because of the changes being made to build a new and different society. One segment of the population opposed those changes, and the tense political confrontation eventually led to the shattering of our democratic institutions. Today the social conditions are different, as we are trying to reestablish democracy. We are trying hard to put the party back in touch with its political principles and ideas. The Radical Party has the duty and the obligation to once again become the force that made possible the politics of consensus for so many years, in other words, to occupy the broad band of the political center that will enable it to represent the country's masses.

The PR on the Left

[Question] So the PR is a centrist party...

[Answer] The Radical Party has never defined itself as such. It has defined itself as a leftwing, progressive, humanist party. Political scientists polarize domestic politics between the Right, which wants to maintain the system of capitalist exploitation and represents more conservative thought and ideas, and the Marxist-Leninist revolutionary Left, which wants to replace the system with the dictatorship of the proletariat. On this polarized spectrum the PR is neither one nor the other. We could place it equidistant from the two extremes. It could be properly defined as a moderate leftwing party whose political philosophy is based on democratic socialism.

[Question] And if you had to seek ties with other political parties across the domestic political spectrum, who would the PR hook up with? The Social Democrats? The PS [Socialist Party]? Someone else?

[Answer] This business of political ties is somewhat difficult to define. Political organizations exist because they are not able to establish common ground that would enable some to disappear or merge. The Radical Party has related organizations. The Socialist Party in the 1930's had a philosophy similar to the one that the PR had been preaching since the late 19th century. Even more so now that the PS has split up, and there are groups like Briones' and Mandujano's, which espouse democratic socialism. We are linked to Social Democracy by history, principles and ideas, and we are thus trying to reach an understanding because we believe that we can establish common ground to act together in the country's political process...

[Question] Are you talking about the old Radical mainstream?

[Answer] It would be pointless not to recognize that there are other groups and movements that have sprung from what is called the old Radical mainstream. The problem is whether with our independent efforts we can put together the party as it used to be or whether it has to be accompanied by groups that used to belong to the PR. In light of political conditions in the country, we believe that we have to make every effort to reach an understanding, unite and merge with groups and movements that are of Radical origin. Whether we achieve this or not, however, the leadership of this party, its activists, its women and its young people will ultimately be the ones who give Chile a great new Radical Party.

Young Rebels

[Question] Speaking of young people, what is the position of Radical Youth on the party's line? Are they in total agreement or are there differences of opinion?

[Answer] In recent years the Radical Party has been notably absent from the Chilean youth movement. This has to be viewed in historic retrospect. Revolutionary Radical Youth was formed in 1968 by a group of young people within the party who were committed to change and the revolution. Their enthusiasm and devotion went beyond mere commitment to or identification with the principles and doctrine of the Radical Party. There had been no real interruption in this group until very recently, when young people trained in the heat of the struggle against the dictatorship and imbued with the party's doctrine emerged. All of this means that our young people have not performed the tasks that they must within the Chilean youth movement.

[Question] These are the differences of opinion among young people themselves. The ones who went to Moscow, for example...Didn't this hurt the feelings of the PR's national leadership somewhat?

[Answer] You have raised the issue very clearly, because your question implies that these youths went to Moscow without authorization from the party's leadership. They went there because they were involved in various organizations that represent Chilean youth. But I do not want to sidestep the political issue. The party's internal organizations and young people in particular have organizational autonomy, but they cannot and must not have political autonomy. The presence of our activists at activities that are not attended by international organizations with which the PR has established ties, is a matter that will have to be looked into to prevent a repetition.

[Question] Clarify something for me, Mr Navarrete. There are problems within the youth movement, problems between the youths and the CEN [National Executive Committee], and there is no agreement for the reconstruction of the old Radical mainstream...Doesn't all this weaken the PR and strengthen the Pinochet dictatorship?

[Answer] The internal problems of parties questionably help to keep the military regime going. When we demand unity among the opposition against the dictatorship, those of us who belong to a party must be able first of all to reach a solid, effective and real agreement among ourselves. If we are unable to achieve a degree of understanding and unity, we are doing serious damage to the party as an idea and, at the same time, we are helping the dictatorship to survive. Unless we retain a degree of trustworthiness, those who wield political power will take advantage of our weaknesses to pursue their policy of exploitation, domination, repression and violence.

Mobilization and Negotiation

[Question] Both the Democratic Alliance and the National Accord are at a crossroads: either the negotiations that the Right is calling for, or the mobilization that the Left wants. What is your party's stand?

[Answer] One of the democratic opposition's major shortcomings has been its failure to chart a definite strategy: mobilization or negotiation. We have not taken consistent steps to do one or the other. Nor, moreover, have we clearly and precisely spelled out that the strategy is mobilization for negotiation. The only strategy is social mobilization, political pressure and mass struggle, on the basis of a nationwide understanding and nonviolence, to tip the balance of power towards negotiating a surrender of political power.

[Question] Meanwhile...Pinochet remains on top.

[Answer] The dictatorship today is unquestionably in a position of strength and predominance over the opposition. The relationship has to change. As democratic parties, we must gain much greater strength and authority than we have today so that we can negotiate the terms of a surrender of power.

[Question] Who ought to be committed to this task?

[Answer] In the first place, all of the parties in the Democratic Alliance. But this is also an effort that must be undertaken by all Chileans who want to put an end to a shameful regime that has had such sad consequences for the country's destiny. The regime cannot exist unless the opposition stammers and has fallings out that thwart our strategy: a broad-based, peaceful social mobilization with a view towards sitting down at the negotiating table with the Armed Forces.

[Question] The PC [Communist Party] also advocates the path of social mobilization. Is the PR prepared to march along with them?

[Answer] The PR is calling for a policy of unity that is not exclusionary. We are prepared to come to terms with anyone who wants a return of democracy, which is a goal that we have to achieve peacefully through the social mobilization. The Chilean people do not want violence. Violence helps Pinochet and strengthens his regime, as the experience of the past 12 years has taught us. We have nothing against walking alongside all those, including the PC, who agree on these principles. So far, however, what we have heard from the PC is repeated calls for actions accompanied by violence. And here there is a clear difference between us and them that we cannot deny, because it is a political fact.

[Question] If Pinochet were to propose an appointed congress in the months to come, would you and your party take a seat in it?

[Answer] Absolutely not. We are not going to take seats in any appointed congress, nor are we going to support measures designed to trample on the people's legitimate right to elect their authorities in a sovereign manner. The Radical Party is going to categorically reject any plebiscite aimed at partially and capriciously amending this constitution by further delaying and confusing the full reestablishment of democracy.

[Question] What does the name Anselmo Sule mean to you?

[Answer] First of all, he is a fellow Radical who has been persecuted and forced into exile, in one of this government's cruelest manifestations of repression. Second, he is a party leader who has responsibilities overseas and is serving as one of our vice presidents, the international vice president. Lastly, he is another activist who is doing his job and battling for the reestablishment of democracy in the country.

[Question] Is Sule's position the same as the leadership's within the party?

[Answer] Every party activist must abide by the political resolutions it adopts. As in every democratic party, there is a struggle of ideas in the PR that is decided in the party's organizations. Once the issues have been debated and a decision made, all activists are obliged to honor it. And there is no reason for it to be different in the case of Anselmo Sule...

Statements in Mendoza

[Question] Does the same go for Carlos Morales Abarzua?

[Answer] Exactly the same.

[Question] But he just said in Mendoza that the PR ought to withdraw from the Democratic Alliance...

[Answer] We found out through the press that Carlos Morales made statements that are at odds with the resolutions that the party adopted at its national council and its convention alike. We have to look into the matter to ascertain the real significance of the report. According to it, he voiced disagreement with the substantive decisions that the party made on this point.

[Question] I am quoting Carlos Morales: "Our competitor in Chile will always be the Christian Democratic Party [DC]. So, I don't care for the alliance or the National Accord either." Do you agree with his judgment about the DC?

[Answer] Not at all. We could not share his judgment, because we are part of the alliance and the National Accord along with the DC. The fact of the matter is that Chileans in exile do not have domestic politics in proper focus, and this leads to mistaken judgments. His description of the DC shows a lack of understanding and is unfair and mistaken. The DC is openly opposed to the regime, has significant domestic strength and represents an important element for achieving democracy and freedom. We appreciate its stand and its actions.

[Question] Even so, could we say then that there is a divorce between the PR in exile and the PR inside the country?

[Answer] I had the chance not long ago to meet with most of the Radical groups in exile, especially in Europe. They are completely loyal to the Radical Party's political stands inside Chile. Therefore, I would not contend that the statements by one activist, no matter how distinguished he may be, as is the case with Carlos Morales, reflect the feelings of the other Radicals living in exile.

[Question] But it's not just Carlos Morales. There have also been disagreements with Anselmo Sule...

[Answer] Sule has not made statements like Carlos Morales' about the National Accord and the alliance. It is my understanding that they too disagree on this particular point. As I was saying just now, the reason for this is that men who have had a lengthy political career, who have given the country so much and who have done such great work in Congress for the nation's benefit, have now spent more than 12 years in exile. They are overwhelmed with anguish and racked with despair. They have been uprooted, forced to live outside their country, unable to share in the struggles and sacrifices, and this causes them to make flippant judgments.

[Question] Do you feel that human rights violations are an issue that can be taken up at the bargaining table with the Armed Forces?

[Answer] Obviously it cannot be subordinated to negotiations. The human rights issue has been prominent in Chile from the time that the government took over on 11 September 1973. The abuses must be dealt with by a democratic government and by a revamped, more ethical court system that will objectively and impartially determine guilt, seek out the culprits and punish them fittingly.

The PR at the Polls

[Question] If there were elections in Chile in a few days, what percentage of the vote would the PR garner?

[Answer] The percentages of March 1973 have been overtaken by history. The times are different today, and so are the choices. An election tomorrow would bring together all of us whose philosophical reference point is democratic socialism. What percentage of Chileans want this? There are many Chileans who want to have development, progress, well-being and happiness. How many would identify with the Radical Party? At least the close to 20 percent who voted for the party no more than 20 or 25 years ago.

[Question] Am I to understand that the PR would be in favor of an election coalition?

[Answer] The Radical Party is the one that best represents democratic socialist thought in Chile. But we are not the only one, and we realize that clearly. There are movements of Christian and renewed Marxist origin, groups that have sprung from the Radical Party, with which it is perfectly possible and necessary to reach an agreement so that we can face the political future with a responsible platform.

[Question] Are we perhaps witnessing the birth of a new Popular Unity?

[Answer] Not at all. Popular Unity is a thing of the past; it played a role and cannot be brought back. Coalitions, political organizations, party alliances always stem from very specific historic situations. Popular Unity arose in response to one and fulfilled its mission. I am talking about a conceptual, ideological, political and programmatic unity among those of us who share a school of thought. This is what Chile needs. To the extent that we can put together a strong force for democratic socialism, we are going to help restore democracy and promote a viable, reasonable, objective movement towards change that will raise our people's level of well-being.

8743
CSO: 3348/434

SOCIALIST PARTY POLITICAL COMMITTEE ISSUES MANIFESTO

Santiago ANALISIS in Spanish 11-17 Feb 86 pp 1-4 (Insert)

[Text] "Because this manifesto, 'Socialists for Socialist Unity,' issued by the Political Committee of the Socialist Party of Chile (224th Congress), has inspired me and convinced me that it can contribute to the discussion of the deep and heartfelt desire for unity among thousands of socialists who regard the unity of Chilean socialists as a historic necessity, I have requested that it be published." Guillermo Zavala

1. Introduction

Just as the struggle and mobilization of the people have been stepped up in pursuit of democratic and progressive objectives, the need for the unity of the Socialist Party of Chile has been mentioned with increasing insistence by all sectors involved.

There is no doubt that significant advances have been made in the last 2 or 3 years in the reunification of Allende's party. We cannot overlook the fact, however, that this progress has been insufficient in view of the demands of the struggle and unity of the people who seek liberation. Moreover, parallel to these advances we have seen various reshufflings and realignments in some sectors of socialism, which has led to a resurgence of factionalism and further weakening of the socialists' national appeal.

The unification of socialism has not been free of the complexities resulting from the difficult years of disjointed efforts. The desire for more individual activism on the part of sectors that seek to overcome this disintegration has also contributed to this.

Nevertheless, a slow process toward socialist unity has been maturing, establishing a foundation in the effort to coordinate social fronts and geographical areas both here and abroad. These efforts have been aimed at solving the problem of disunity among socialists, with the active participation of all structures and activists, and of the vast majority of socialists.

Given the advances made by the popular, democratic and antidictatorial struggle in 1985 and the progress made in coordinating socialists, on the one hand, and the fact that 1986 must be the year of victory over authoritarianism and regression, on the other hand, then this must also be the year when the unification process is consummated. This process has been maturing in the everyday lives of those who carry the banners of the Socialist Party of Chile within the Popular Democratic Movement (MDP).

2. Socialist Unity a Feasible Imperative

Certainly the convergence of three socialist organizations in the MDP represented a major step in the initiation of a serious and effective process of rebuilding and unifying the Socialist Party. Indeed, these organizations have been taking shape and advancing not only in a common effort to oppose the dictatorship, but also with ever higher levels of cooperation and political agreement on such substantive issues as strategic objectives, political line and path of struggle, policy on alliances, etc. The convergence and coordination of these organizations have been reflected in many initiatives that have encouraged and enhanced the prospects for unity.

Thus, for example, the formation of the Single Committee to Celebrate the Anniversary of the Party Founding provided an important stimulus and thrust to the process of unity. The socialist sectors whose general secretaries are Manuel Mandujano and Clodomiro Almeyda, and the National Regional Coordinating Office (CNR), all present at the 24th Congress, participated in this committee, which organized a series of activities and events to celebrate the party's 52nd anniversary. Along the same lines, the unification of the socialist voice at the Conference on the Foreign Debt of Latin America and the Caribbean, held in Havana, was another milestone gesture that also spurred on this process.

Also noteworthy is the proposal made to by our party by the sector under Comrade Almeyda, that we participate in the congress that they were holding. Even though this iniciative fell into the category of events that were exclusively within their purview and not that of a Special Unity Congress in which all sectors could have joined together, it manifested a willingness to unite that raised certain hopes for progress in overcoming our divisiveness. As a result, the sectors that participated have reaffirmed the identity and the political legacy of the party of Grove and Allende. This willingness to unite was reaffirmed by the resolutions that were passed at that congress, providing a mandate to the leaders to move forward and consummate socialist unity.

The seminar in October 1985, which was attended by those of us who are represented in the MDP and resulted in the creation of the Coordinating Committee for Socialist Unity and the Popular Struggle, was also a positive step in the unification process.

3. Unity Now: A Necessary Imperative

We are convinced that a fundamental and qualitative step in overcoming the disintegration of socialists will most certainly provide a powerful impetus to the unification process and the effort to define terms within the left. It will strengthen the presence and appeal of the socialists on the national scene, and above all will facilitate the vitalization of the democratic, popular and revolutionary leadership of the pro-liberation events to come. From this standpoint, the growing and sustained unity of the socialists represented in the MDP is of vital importance.

In view of the major effort our people must make this year in pursuit of their democratic objectives, the key responsibility of the socialists is to make decisive progress in the reunification process, responding fully to the demands of the present and future: strengthening the organization and struggle of the people in their many aspects, and coordinating the national masses by stepping up the mobilization in order to stage a prolonged National and Popular Strike. We should attribute particular importance to enhancing and strengthening the unity of the democratic, popular and revolutionary forces, and to coordinating the "socialist area" in which our party has historically exerted influence. This area should be an active part of the national political mobilization and coordination to the extent that it is part of the movement of the people and the Chilean left. The unification and strengthening of these sectors is a priority task within the goal of bringing about the immediate end of the dictatorship by Pinochet, the generals and the bankers.

Faced with the enormous task of achieving our democratic and progressive objectives, we socialists have decided to bring together the National Majority to respond to the demands of all Chileans to put an end to the dictatorship and eradicate its military and institutional foundations. It is the responsibility of the socialists to build, organize, strengthen and voice the concerns of this National Majority day after day in the actions against the dictatorship. This majority consists of all social and political sectors, manual laborers and intellectuals, the popular masses of the city and the countryside. With their own effort, struggle and mobilization, they will do away with the dictatorial regime and install a democratic, popular and provisional government which will call a constituent assembly, implement an emergency economic plan, and initiate and guarantee the democratization of the state and of Chilean society. This will lay the groundwork for the development of a socialist outlook in our fatherland.

4. Our Proposal: Toward a Salvador Allende Congress of Unity

We believe that this is the time to consummate the unification of the socialists represented in the MDP, the revolutionary socialists, legitimate heirs of the banners of Grove and Allende. In the visionary act of founding the party on 19 April 1933, they launched a steady and difficult process of forming and building a revolutionary political vanguard, an irreplaceable tool in the emancipation of the working classes and the national masses. They began an organization that aspires to rule, to accept and voice the individual needs of this nation in the transformation of society and its progress toward socialism, a national, popular and democratic organization capable of representing the interests of manual laborers and intellectual workers in the city and the countryside alike, building a free Chile on the basis of grassroots support.

Now is the time for unity in the Socialist Party of Chile, which has in its possession a legacy of doctrines that has been enriched during the nearly 53 years that it has been struggling. It is promoting a process of socialist change in the unjust structures of Chilean society, inspired by the plan to build a Democratic Workers' Republic. It supports a coherent policy of alliances, manifested in its concept of the Workers' Front as a base. This party is characterized by one unique attribute: its autonomy and independence from any ideological center in the international workers' movement, although it does have a clear internationalist vocation that gives priority to Latin Americanism, in view of its surroundings. It is blessed with a proletarian ideology for the interpretation of history and a scientific approach to the interpretation and transformation of social processes, enriched by the daily consistency of its political actions. Thus, the party will never grow obsolete. The party is also convinced that the use of all forms of struggle will strengthen the complex process of joining together different forces, which must be promoted on all levels to safeguard the full and effective sovereignty of the people in their historic choices.

The heartfelt desire for unity that party members express at all levels emphasizes the need to ensure full participation in the procedures that are followed. In fact there is already unity at various levels and on various fronts, within a framework of enthusiasm, fraternity and honest agreement.

It is necessary, then, for us to choose a broadly participative, democratic and representative mechanism: a congress characterized by the spirit and desire for unity that inspires us.

Such an event, which should take place as soon as possible, should include an accounting and sanctioning of the processes that have already taken place, inspired by the memory of that responsible socialist, militant activist, martyred president and leader of the popular masses, Comrade Salvador Allende.

Recognizing the complexity of unification processes, and bearing in mind the true nature of the difficulties involved in achieving such unity, but also considering the progress that has been made, it is appropriate today to provide generous stimulation for the efforts at coordination and even fusion, which will in any case safeguard what has already been achieved and justify the highest aspirations.

In this context and along these lines, if progress is made toward a Salvador Allende Unity Congress, our leadership has proposed to the sector led by Comrade Almeyda and to the CNR that we merge our respective organizations. This political and organic synthesis would be symbolized in a Unity Plenum or Conference, and in a political document that would set forth our points of agreement on political, democratic and revolutionary issues, in keeping with the inherent nature of the Socialist Party of Chile.

Our party does not and will not spare any effort or sacrifice to ensure the success of the aforementioned initiatives as soon as possible. That success will depend on the mutual efforts of everyone.

Unofficial rumors hinting that we have joined the sector headed by Comrade Clodomiro Almeyra do not contribute to the unification process. We have constantly and consistently maintained that the joining or incorporation of one organization with another is not the solution to the disintegration problem or the way to realize the deeply felt aspirations for unity in our foundations and structures. On the contrary, the unification process is the only way. Now we must devise mechanisms that will provide full guarantees to all those who take up the cause of unity and abandon their individual efforts, placing the higher interests of the unity of all socialists above any other consideration, that is, confronting this challenge and responsibility with generosity, objectivity and reciprocity.

Socialists: Now is the time for the unity of the Socialist Party of Chile. It is time to consummate the unification process that has been painstakingly built and maintained by those of us who carry the banners of the party of Grove and Allende, within the Popular Democratic Movement.

Unite to Struggle and Eliminate the Dictatorship!!

Rise up, Chile, We Shall Overcome!!

Political Committee, Socialist Party of Chile, 24th Congress

Santiago, Chile, 5 February 1986

8926
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CHILE

LUCIA PINOCHET REVEALS VIEWS ON LIFE

Santiago EL MERCURIO in Spanish 15 Oct 85 pp 8, 9

[Interview with President Pinochet's Daughter Lucia, by Luis Alberto Ganderats: "Self Portrait," date and place not specified]

[Text] "So I am the woman behind the throne? Ha! How often my father has rebuked me! I am the one who takes up the negative side of things with him because everyone else presents everything in a good light. Usually I try to make him consider the things that others have not. But I have absolutely no power."

Lucia Pinochet Hiriart elaborates on her claim, backing it up with other arguments.

"I don't think I have any influence on my father. It so happens that I am a very independent person. I broach subjects with my father and suddenly I get him to see things. He is above me, and I am down here with the rest of the people. The truth is, I am the one who brings up the negative matters, those that no one else will tell him because, ultimately, they don't dare."

These frank remarks were made to Raquel Correa during an interview early in the 80's. Now, in October of '85, we find Lucia Pinochet enthusiastic about other things. She is involved in preparing the October issue of her magazine, "Image." This is the third issue published to date, and it is devoted to the Chilean language, as seen through the works of Pablo Neruda and Gabriela Mistral, and discusses the late parapsychologist, Jaime Galte, as well as literature, astronomy and folklore.

Lucia Pinochet chose Hugo Correa, Latin America's most experienced science fiction writer to be the editor of "Image," the National Culture Foundation's publication.

Correa published "Los Altisimos," the first Chilean novel of that genre, and scored a popular hit with his most famous collection of short stories, "Cuando Pilatos se Opuso."

But behind Hugo Correa we find the enthusiasm and drive of President Pinochet's oldest daughter.

Ines Lucia Pinochet has been interested in political and social affairs from a very early age. As an adolescent, she was already an activist in the Christian Democratic Party (PDC).

"I was even party secretary, which is why I laugh when other people who were once Christian Democrats now deny that they were members. I was 19 years old then, and full of idealism. I have always had a great belief in the Christian doctrine, and because of that, I thought I could be a Christian Democrat..."

When the PDC decided to oppose the military regime, she became disillusioned and since then she has not been a member of the party. She was a desultory student of very dissimilar courses and majors, skipping from political science to journalism to primary education. Finally she finished up with a course as an executive secretary, which led her to the Agricultural Commerce Enterprise (ECA) during the era of Belisario Velasco.

There she met Hernan Garcia Barzelatto, her first husband and the father of her children. At ECA she also met Hugo Correa, the short story writer and science fiction author who is now her righthand man at the National Culture Foundation--which she directs--and especially at "Image" magazine.

This Spanish-English bilingual publication, which contains the writings of Braulio Arenas, Lucia Gevert, Victor Carvacho, Enrique Campos Menendez and other famous authors, fills the yearnings of Lucia Pinochet in the area of disseminating cultural knowledge. Here she has found just the right fountain of water to quench her thirst.

Displaying neither intellectual snobbishness nor attempts at profundity, Lucia revealed some more of her deepest yearnings in the following interview.

[Question] In what ancient of modern event would you like to have participated?

[Answer] I would like to have lived at the time of the birth of Jesus Christ and to know him and hear his teachings, which have been progressively altered over the years to conform with worldly interests.

[Question] "Women guess everything and they are only wrong when they think," said the French peasant, Alfonso Karr. Do you prefer to think or guess?

[Answer] I have the bad habit of analyzing things, though I know I should just let my intuition be my guide and I would be right much more often.

[Question] Describe the perfect vacation.

[Answer] A peaceful one, surrounded by the beauties of nature, with all of my family and lots of books.

[Question] What TV programs do you habitually watch?

[Answer] Generally I don't watch television. I prefer to read and listen to music.

[Question] What would you prefer to have done with your body after your death?

[Answer] I don't care what they do. To me, the soul is the most important thing.

[Question] The Duchess of Orleans, a Franco-German, claimed that "the best trait to ensure domestic bliss between a husband and wife is stupidity." Three centuries have passed since she made that statement. Do you notice any changes?

[Answer] That is a very drastic statement, but I do believe that intelligence has not helped domestic happiness.

[Question] What behavior in a man do you reject most violently?

[Answer] A man who is dishonest. To me, that is a sign of cowardice.

[Question] If you could enjoy a confidential moment with someone, "Don Pio" style, what would you do, and to whom?

[Answer] I would go and ask the Pope to try to encourage a return to greater spirituality among the priests, because there is "a hunger and thirst for spirituality" in this very materialistic world.

[Question] For what reform do you yearn most?

[Answer] For divorce to become available in Chile, because that would benefit needy women who must manage alone without the financial support of their husbands.

[Question] What other profession would you enjoy?

[Answer] I would like to be a painter.

[Question] Have you ever wanted to kill anyone?

[Answer] I have never wanted to kill anyone, but I have wanted to hit more than one person.

[Question] Which of your virtues would you want to be recognized as an act of justice?

[Answer] My desire to do something for no purpose other than to serve the community. I don't know whether that can be considered a virtue, but I would like that to be clearly known.

[Question] What part of Chile is the most typical of the country?

[Answer] There is no single place, because Chile is a multifaceted country. The northern part of the country is very different from the south, yet all of it is Chile.

[Question] What youthful attitude makes you the most impatient?

[Answer] The same one I had as a young person; that of not listening to the experience of adults.

[Question] If you had to be born again outside of South America, what birthplace would you choose?

[Answer] A country with ancient traditions which would bring to me all of its cultural heritage.

[Question] What kinds of things did you collect as a child, and what do you collect now?

[Answer] As a child, I collected letters from friends from different parts of the country, and also books. Now I still collect books, but I also collect little boxes of different sizes, materials and places of origin.

[Question] What feelings do you experience when you think about death?

[Answer] I am anxious to know what awaits us when we cross the "threshold."

[Question] What books do you have on your night table right now?

[Answer] "Un Arte de Vivir" by Andre Maurois, "Hipsoconciencia," by John Baines, and "La Endemoniada de Santiago," by Braulio Arenas.

[Question] Which of your traits or behaviors did your parents complain about when you were an adolescent?

[Answer] My independence.

[Question] In which of your faults do you find the greatest pleasure?

[Answer] It is hard to find pleasure in a fault.

[Question] What do you enjoy wasting time on?

[Answer] Time is not wasted. It is just lived differently.

[Question] Is there something you have done which still troubles your soul?

[Answer] No.

[Question] What are the virtues you value most?

[Answer] Loyalty, sincerity, bravery and honesty.

[Question] What additional quality do you think Chilean women should have?

[Answer] I think Chilean women already have many qualities of which we should be proud as Chileans. I do not know what I could add to the qualities the Chilean woman already has.

[Question] How do you think adolescents see you?

[Answer] I don't know, but I would think they would see me just as I am, because I always try to be absolutely natural.

[Question] What human accomplishment do you admire most?

[Answer] The capacity to love.

[Question] The only secret a woman never tells is her age. To what do you attribute this?

[Answer] Both men and women deny aging. Maybe the reason is the materialistic world we live in, which disparages the agelessness of the spirit and exalts the beauty of youth.

[Question] What is your position on suicide?

[Answer] My position is one of profound sadness regarding something that is inexplicable to me.

[Question] If you had to split your household chores exactly in half, which jobs would you do and which ones would you leave for your husband?

[Answer] I would cook and I would ask him to do the dishes (with an automatic dishwasher).

[Question] How do you feel things are going for you right now?

[Answer] I think they are going well. I have matured quite a lot over the past few years. I have learned a lot from others, and from life itself. But I would always like to be better. That is the natural desire to improve oneself.

[Question] What things do you count among your collection of vanities [vanidoteca]?

[Answer] I don't collect vanities. What I have is a collection of sights and impressions [videoteca].

[Question] Tell me what you feel when you travel by plane.

[Answer] Fear.

[Question] What phobia or childish fear have you been unable to conquer?

[Answer] The fear of dogs.

[Question] How do you fell when people sincerely praise you?

[Answer] I don't like it. It makes me feel uncomfortable, and yet grateful at the same time.

[Question] What infuriates you?

[Answer] The irresponsibility of some people who think that the world belongs to them and that it only exists for as long as they live. Because of this they have no respect for their fellowmen and they soil and pollute everything.

[Question] What fool would you like to muzzle temporarily?

[Answer] I would like to silence a lot of politicians.

[Question] When you find yourself depressed, what memory helps you to smile again?

[Answer] Simple things, funny situations, memories of the children when they were little.

[Question] Ideally, in what task or job would you feel you were thoroughly using all of your abilities, satisfying your ideals and feeling full of enthusiasm?

[Answer] I have always felt satisfied with what I am doing in every task or activity I have done. I always try to use all my abilities and enthusiasm in each one.

[Question] How do you think the domestic employees in your house see you?

[Answer] I suppose they see me just as I am, because I treat all people the same way.

[Question] What TV advertisement totally irritates you?

[Answer] The cigarette ads, which are so attractive, and then comes the warning in black and white stating that tobacco is harmful. That irritates me because the warning lacks the advantage of the colorful appeal of the ad which tells you to "smoke!"

[Question] What is your most dominant character trait?

[Answer] Passion and independence.

[Question] When you find yourself alone in front of a mirror and there is no one there but yout, whom do you see?

[Answer] I see a woman who seeks to see a bit beyond the image she sees reflected.

[Question] At times human beings find they must humble themselves and be silent. With whom has that happened to you, and why?

[Answer] I always feel humble and silent before God.

[Question] What feminine attitude irritates you?

[Answer] Irrational submissiveness to men.

[Question] What are the methods or habits you use to unwind and get away from it all during your days and hours off from work?

[Answer] Living life fully during my time off, in simple ways, with my family.

[Question] As a child, what did you want to be when you grew up?

[Answer] I wanted to explore the African jungles.

[Question] What are you afraid of?

[Answer] Being a survivor of a nuclear war.

[Question] What special gift would you like to possess?

[Answer] A marvelous voice.

[Question] Do you often talk to yourself when no one else is around to hear you?

[Answer] No, I don't even swear.

[Question] There are some moral issues that we in Chile face with the mentality of "furniture dealers"; that is, comfort is the most important thing. In what areas have you been surprised to find yourself acting with that mentality?

[Answer] I am too passionate and vehement to have the mentality of a "furniture dealer," as you put it.

[Question] Disregarding the obvious, in what ways do you think men and women are entirely different?

[Answer] I think they are different in every way except in that divine spark known as spirit.

[Question] Of all the things that have been said against you, what do you consider funny?

[Answer] I never worry about anything that is said, either against me or for me. Against me, because it contributes nothing to me, and for me, because it could reduce my determination to improve.

[Question] Of your contemporaries, whom do you admire most?

[Answer] I believe it would be Mrs Margaret Thatcher, because of her iron will, her courage, her drive and her constant awareness of her status as a woman, wife and mother.

[Question] What have you never been able to do because of a bit of timidity or fear of ridicule?

[Answer] Sing out loud in public, for fear of appearing ridiculous.

[Question] What are you most curious about?

[Answer] About the esoteric.

[Question] What is the character trait that has harmed you the most?

[Answer] Frankness.

[Question] What situation experienced by other people always causes you to feel a little bit of envy?

[Answer] Love that lasts through the years, just as fresh as it was in the beginning.

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SECTORS RESPOND TO PRESIDENT'S ECONOMIC MEASURES

Exporters' Reaction Favorable

Santo Domingo LISTIN DIARIO in Spanish 21 Jan 86 p 9

[Article by Jose Romero]

[Text] The export sector reacted favorably yesterday to the Monetary Council's measure to reduce the exchange surcharge. Government officials praised that provision as well as others that President Salvador Jorge Blanco passed.

Maria Luisa De Windt de Tavera, a member of the Monetary Council and president of the Dominican Association of Exporters, was in favor of the provision although she felt that the remaining 50 percent of the surcharge still affects traditional exports.

When the Monetary Council approved the reduction, she voted for it and praised the provision, indicating that traditional exports would remain free of any surcharge.

A spokesman for the Federation of Sugar Growers said that the measure will be studied at a meeting today.

Dr Eduardo Tejera, director of CEDOPEX [Dominican Center for Export Development], engineer Victor Manuel Baez, president of the Dominican Oil Refinery, and Franklin Baez, director of the CEA [State Sugar Council], supported the provision.

However, the sugar workers unions considered another announcement by the president inadequate since it grants a bonus of only 10 days' pay (50 pesos) to each of the 25,000 migrant workers or cane cutters. It also condones the payment of advances or down payments for housing.

The director of CEDOPEX said that the reduction of the surcharge creates new incentives for export production. He indicated that it and the 50-centavo per gallon reduction for gas oil are very timely.

He stated that those two measures inject enthusiasm.

Tejera stated that there are still other problems in the sector like scant financing for export investment or working capital and bureaucratic obstacles or excessive government red tape for projects to be financed. There also must be greater interest by the private sector.

The director of the CEA said that instructions were already given to the Social Security director for the workers of the CEA to be treated like the workers of other enterprises.

He also indicated that President Jorge Blanco told him that two jeeps were allowed for each sugar federation that has more than 1,000 members.

The president of the refinery said that the reduction in gas oil and not gasoline was preferable because this benefits the transportation of foods and raw materials.

He indicated that there was a 12-percent drop in the use of gas oil last year that could easily have affected productive activity. Meanwhile, gasoline usage increased about 3 percent compared to 1984.

The director of the CEA revealed that the sugar producers really needed that provision to reduce the surcharge.

The officials indicated that President Jorge Blanco showed great social sensitivity.

Union Leaders' Qualified Approval

Santo Domingo LISTIN DIARIO in Spanish 21 Jan 86 p 8

[Article by Arsenio Ramirez]

[Text] Leaders of several unions agreed that the reduction in the price of gas oil ordered by President Salvador Jorge Blanco is positive. However, they said that the government measure should have included gasoline and propane gas.

The first leader questioned about the president's provision cutting the price of a gallon of gas oil by 50 centavos was Julio de Pena Valdez, secretary general of the CGT [General Confederation of Workers]. He said he felt that the measure announced by the president is positive because "it will help lower production costs, especially in agriculture."

De Pena Valdez pointed out: "It will reduce freight charges for agricultural products transported to the city and will also help lower bus fares."

He pointed out that the government has "a hidden tax which is the differential tax on hydrocarbons" which "yields a surplus every year."

The union leader noted: "President Jorge Blanco has stated on more than one occasion that he wants to leave the Dominican economy in better shape at the end of his presidential term. Therefore, he should eliminate that tax in order to reduce the price of all the hydrocarbons in the country, not just gas oil but gasoline, propane gas, and other fuels."

Support

De Pena Valdez stated: "However, we support reducing the price of a gallon of gas oil."

The CGT leader also said that the Executive Branch's extension of the minimum wage at 250 pesos is "a victory of the union movement."

He stated: "However, we feel that the legislators must immediately set the minimum wage at 350 pesos per month even if it is necessary to impose direct taxes that lower the high profits of the large capitalists. We feel that the cost of living is much higher than the existing minimum wage."

De Pena Valdez also felt that the reduction of the surcharge on traditional exports should have been 100 percent.

He stated that this measure was passed because of pressure from the Dominican union movement and also pointed out that this tax should be eliminated for sugar exports.

CGT-M

Carlos Tomas Fernandez, organizational secretary of the CGT-M [CGT-Majority], felt that the reduction in the price of gas oil was overdue because the price of a barrel of oil from Mexico or Venezuela had already been reduced several times and the government had not made any decision on this.

He said that the reduction should have been bigger and should have included the prices of gasoline and propane gas. He added: "This is going to have repercussions on the prices of some agricultural products. The government already accumulated a reserve through the differential on fuel prices and the exchange surcharge."

He revealed that the CGT-M felt that the level of the minimum wage was irreversible and no one could push it to fight for a conquest it had already won.

Fernandez stated that the 36-percent tax on exports should be completely eliminated since it hurts the national economy.

CASC

Gabriel del Rio Done, secretary general of CASC [Autonomous Confederation of Classist Trade Unions], felt that President Jorge Blanco should have included other fuels in the reduction.

He explained: "The reduction in gas oil will benefit a very important sector but we feel that the housewives should have been considered. A reduction that would help Dominican families more directly was needed."

He pointed out: "We feel that the reduction for fuel was well received but there is no question that the government should have handled it differently. Gasoline and propane gas should have been included."

He said that the authorities should have cut the price of a gallon of fuel 1 peso.

He stated that continuation of the minimum wage is very good for the Dominican working class.

However, Del Rio Done accused President Jorge Blanco of trying to divide the cane workers between permanent and temporary workers.

He pointed out that the chief of state should have authorized a certain amount in loans to all cane workers. He felt that all the workers "should continue their resolute struggle to win their demands."

7717
CSO: 3248/218

GOVERNMENT RENEGOTIATES DEBTS WITH FRG

Santo Domingo LISTIN DIARIO in Spanish 18 Jan 86 pp 1, 11

[Article by Tulio Navarrete]

[Text] The government yesterday signed an agreement with the FRG to renegotiate its public debt of 62.9 million pesos for a term of 5 years.

The agreement was finalized based on the Paris Club protocol agreed on and signed on 21 May 1985 to consolidate the Dominican Republic's foreign debts.

That agreement defers payments on several debts guaranteed or paid for by the FRG. This covers German loans to Dominican debtors for more than 1 year signed before 30 June 1984.

It is the second agreement the government has signed to renegotiate its foreign debt through the Paris Club.

Several days ago, an agreement was signed by the Japanese and Dominican Governments.

According to the agreement, the details of the deferment of payments covered in "paragraph 1 will be determined by the signatories to the agreement to consolidate Dominican debts derived from credits for German supplies and services covered in this agreement."

The second article indicates "that the German Government gives the Dominican Government the chance, through an additional contract that will have to be agreed on between the Dominican Republic and the Kreditanstalf Furwiederaufbau, to modify the loans signed with it before 30 June 1984 for a total of 52.5 million German marks (62.9 million pesos)."

Foreign Minister Jose Augusto Vega Imbert signed for the Dominican Government and the German ambassador in Santo Domingo, Ulrich Schoning, and Ms. Gudrun Schlitzberges, an official of the German Ministry of Finance, signed for the German Government. The governor of Central Bank, Hugo Guiliani Cury, was present.

Vega Imbert and Ambassador Schoning spoke at the ceremony held at noon yesterday in the Foreign Ministry.

The German ambassador stressed the importance of this agreement to renegotiate the foreign debt government to government because of the economic aid that his nation will continue to lend this country.

He said that he was satisfied with the agreement because it is the basis for expanding trade relations between the two countries and German financial cooperation with the Dominican Republic.

Foreign Minister

Foreign Minister Vega Imbert said that the agreements signed express the firm tradition of friendship and solidarity between these two countries with profound democratic callings, "pledged to seek satisfactory solutions to mutual problems."

He also pointed out that bilateral negotiation has been possible as a result of "friendly but intensive negotiations held at a high technical level by representatives of our countries."

Vega Imbert pointed out the country's efforts to stabilize its economy, indicating that it has been "applying a strict economic adjustment program within the framework of the agreement with the IMF. It is also proceeding to fulfill its financial obligations to the Paris Club in order to improve the economy and reorient it toward development objectives that are more in accord with the plans to stimulate the national productive capacity."

However, he warned that this economic policy has been carried out despite the "current adverse situation of the foreign sector of the Dominican economy: the lower prices for our basic exports; the loss of competitiveness in those sectors; and the adoption of protectionist measures."

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DOMINICAN REPUBLIC

PAPER PUBLISHES SUMMARY OF JAPANESE AID

Santo Domingo LISTIN DIARIO in Spanish 19 Jan 86 p 15

[Text] The official aid program of the Japanese Government is named ODA [Official Development Aid]. Although not all-inclusive, the aid can be divided basically into two categories with clearly differentiated characteristics: technical cooperation and economic cooperation. Both programs have a common goal and objectives: to contribute to the socioeconomic progress of the developing countries. Last September, the Japanese Government adopted a specific medium-term goal: to double the amount of ODA over a period of 7 years. This means the disbursement of approximately $40 billion during that period. The ODA to the Dominican Republic has increased greatly in the last 5 years: the amount of aid in 1984 was four times more than the amount in 1980.

I. Technical Cooperation

Aid under this category is all "nonreimbursable"--in other words, donations. These programs try to carry out the mission mentioned above through the transfer of technology. The JICA [Japanese International Cooperation Agency], a branch of the Ministry of Foreign Affairs, is the executing agency. These programs are basically divided into five types, all of which are implemented in the Dominican Republic.

I-A Development Studies

Based on official requests from government institutions, JICA agrees to carry out feasibility studies or research for different development projects. These are part of a general plan for national development and have great significance and priority for the social and economic development of the country.

Since 1980, JICA has done four feasibility studies and one research project on natural resources for different organizations of the Dominican Government. During this period, about 30 missions of specialized Japanese technicians have visited the country to do research work at an approximate cost to the Japanese Government of $8 million. The list of projects is as follows:

1) 1980. Modernization of the Electrical Distribution Network in the city of Santo Domingo. Beneficiary: CDE [Dominican Electrical Corporation]. About 3

years ago, the Dominican Government obtained a loan from Venezuela for this project. It is now in the final stage of the first phase of implementation. The objective of the project is to decrease energy losses--which represent 25 percent of total production--caused by old and obsolete distribution lines and by fraud.

2) 1980-1982. El Pozo Agricultural Development Project in the AGLIPO area. Beneficiary: IAD-INDRHI [Dominican Agrarian Institute-National Institute of Water Resources]. Japan has had total involvement in this project: from formulation of the project to financing its execution. In other words, the project has evolved from technical cooperation to economic cooperation.

3) 1982-1984. Development Project for the El Torito-Los Veganos Hydroelectric Complex in Alto Yuna. Beneficiary: CDE. The feasibility study examined the viability of constructing two hydroelectric dams in the upper basins of the Yuna River. The Dominican Government has requested financing from the Japanese Government.

4) 1983-1985. Las Canita-Mata Grande Mining Exploration Project. Beneficiary: DIGEMIN [General Directorate of Mining]. The third and last year of study has just been completed. The objective of the project is to find copper deposits in zones that have not been explored by the Dominican Government. The final reports will be delivered to the Dominican Government in April 1986.

5) 1984-1985. National Network of Cultural and Educational Radio and Television. Beneficiary: RTVD [Dominican Radio and Television]. The objective of the project is to physically strengthen the RTVD, the government broadcast station, and begin transmission of extensive educational programming on radio and television. The final reports were presented last summer.

6) 1985-1986. El Aguacate Guayabo Agricultural Development Project. Beneficiary: IAD-INDRHI. It is the second stage of the AGLIPO project. The feasibility study has the same objective as before. It is now in its first year of research.

In addition to these projects, a mission is expected to arrive in February 1986 to work on an agreement with Dominican officials concerning the terms for a feasibility study for the rehabilitation of the port of San Pedro de Macoris. An agreement for continuation of aid to DIGEMIN is expected to be formalized this year. Other aid projects are also being considered by the Japanese Government.

I-B Donation of Equipment and Machinery

Called "Equipment Supply Program" by JICA, this program is closely tied to the above and to the program of visiting experts, but is not limited exclusively to them. Basically, equipment is donated as a complement to research work, as support to development projects, and as support to the work of different experts. The most significant donations in recent years have been the following: three jeeps and two boats for the IAD; two water level recorders, three limnographs, two marigraphs, and two jeeps for INDRHI; one high-temperature furnace and two electric lathes for CENADARTE; two drills and several collectors of hydrological information for the CDE; one complete set of telecommunications equipment for the DGT Training Center; equipment for training and practice of artificial insemination of cattle for the SEA; three water pumps for INDRHI; and one drill and other tools for geological research for DIGEMIN.

The public health sector has benefited from this JICA program. Endoscopic equipment and other equipment for research and analysis of diseases have been donated to several public hospitals in the country. These donations total more than $1.5 million. Implementation of similar donations in other areas is expected soon.

I-C Visiting Experts

At the request of several government institutions, nine Japanese experts are working in the country as advisers in different areas. This program, like all of JICA's, is completely paid for by the Japanese Government. The professionals and their corresponding institutions are as follows: two engineers specializing in irrigation and drainage and geology in INDRHI; two engineers specializing in telecommunications in the DGT; one agricultural economist in the IAD; one engineer specializing in electrical distribution in the CDE; one veterinarian specializing in artificial insemination in the SEA; and two geologists in DIGEMIN. All have been sent for a minimum period of 2 years which can be extended.

I-D Training of Dominican Technicians

JICA invites about 20 technicians and officials of the Dominican Government each year to receive training in different branches and to make observation visits to Japan. The average duration of these visits is 2 to 3 months and the program--including transportation, lodging, and food--is completely paid for by the Japanese Government. The training courses have been designed by specialized professionals with several years of experience. A total of 67 Dominican technicians and about 20 government officials have visited Japan in the last 4 years.

I-E Program of Volunteer Youths

An agreement that was signed between the two countries in March was ratified last June by the Dominican Congress. It implements this program. The nature of the program is similar to the program of visiting experts but, in this case, all are youths who are qualified professionals. They are not paid for their work but receive a subsistence allowance. In the first half of next year, eight youths will arrive in the country: four in January and four in May. The following institutions will receive them: INFOTEP [National Institute of Technical-Professional Training], FDD [Dominican Development Federation], UNPHU [Pedro Henriquez Urena National University], ADN, and IAD.

II. Economic Cooperation

Different from the technical cooperation programs, this can be summarized in one word: loans. The official executing agency is known as the OECF

[Cverseas Economic Cooperation Fund]. This organization finances from 70 to 80 percent of the cost of those national projects that are considered of priority importance for the development of the country. The loans that the OECF grants are known as "soft" loans. Their interest rates average about 3 percent per year, depending on the economic conditions of each case and the nature of the project. The average period of amortization is 28 to 30 years with an average grace period of 8 to 10 years.

II-A Rural Telecommunications Project

During the summer of 1980, the Dominican Government obtained the first OECF loan, approximately $15 million, for a project known as the Rural Telecommunications Network. The project which was completed last spring involved the modernization of the national telegraph system and the installation of telephones in those places where that service did not exist. The DGT was the executing agency for the project.

II-B El Pozo Project in AGLIPO Area

In March 1983, an agreement was signed for the second loan from the OECF to the Dominican Government. The funds, some $37 million, were allocated to the project for "Agricultural Development of El Pozo in AGLIPO." The project includes the construction of irrigation and drainage infrastructure for the recovery of some 8,000 hectares in the marshy area of Nagua for the IAD rice settlement program. Dominican authorities have evaluated the importance of this project, calling it the future "national granary." INDRHI is the executing organization. Work began on the construction of the infrastructure projects last summer. It is expected to take 4 years.

Both soft loans have an amortization period of 25 years which includes 7 years of grace and an annual interest rate of 4.25 percent. Nevertheless, the loan extended to the AGLIPO project includes a section that is even more beneficial for carrying out the projects: 30 percent of the total loan can be used as local counterpart if necessary.

III. Study Trips

In addition to the JICA courses, there are other programs sponsored by official organizations which invite people to Japan.

The Ministry of Foreign Affairs annually invites two or three distinguished Dominican intellectuals. A considerable number of government officials, intellectuals, and journalists have been invited in recent years.

The Japanese Ministry of Education each year offers a long-term postgraduate scholarship. Ten Dominicans have received this scholarship so far.

IV. Cultural Donations

The Japanese Ministry of Foreign Affairs also has a program to supply materials and equipment called "cultural donations" due to the nature and content of the program. There have been two donations of this type so far.

SEDEFIR [Secretariat of State of Sports, Physical Education, and Recreation] has received complete sets of gymnastic equipment. Last year the Museo de las Casas Reales received audiovisual equipment and equipment for the preservation of archaeological objects. A shipment of violins for the General Directorate of Fine Arts is expected this year.

V. Japan Foundation

The Japan Foundation, a semiofficial institution, is devoted to the development of cultural exchange. Its programs of book donations are already well known at most of the main universities, libraries, and cultural centers in the country. Prominent Dominican artists and intellectuals involved in the cultural sector have also been invited by the Japan Foundation.

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AID AGREEMENT ON CATTLE PROJECT SIGNED WITH CANADA

Santo Domingo LISTIN DIARIO in Spanish 20 Jan 86 p 3C

[Article by Manuel Silvestre]

[Text] The Secretariat of State of Agriculture and the Canadian Government signed an agreement "to continue consolidation work on Cattle Project D-1 in Ysura, Azua."

According to the agreement, Canada will invest 390,000 Canadian dollars and the Dominican Government some 70,000 pesos.

The agreement was signed by the Canadian ambassador, Mr Victor George Lotto. Agricultural engineers Federico Cruz Dominguez and Carlos Guillen Tatis, secretary of agriculture and director of the Dominican Agrarian Institute, respectively, signed for the Dominican Government.

Cruz Dominguez said that Project D-1 "should become a model for Latin America. Some 12 million pesos have already been invested in it."

He added that, in addition to consolidation of the project, "there will be work on milk production and balanced feed under the new agreement."

He explained that the new contribution from the Canadian Government will be used to purchase the materials and equipment needed for this project including agricultural machinery, semen for artificial insemination, vehicles and other equipment, and veterinary equipment.

The secretary expressed gratitude for the generous and determined collaboration of the Canadian Government. Its technicians have been as involved as the Dominican technicians in the project.

He said that he hopes that, with the new expanded agreement, work on the infrastructure, milk refrigeration and collection, cheese storage, and preparation and formulation of feed under Cattle Project D-1 will be completed this year.

Ambassador Victor George Lotto explained that Canada has technology in that sector that can contribute to the cattle development of this country. Therefore, we could have a very successful project.

The agreement was signed in the conference room of the Secretariat of State of Agriculture at Centro de los Heroes.

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DOMINICAN REPUBLIC

ARCHBISHOP COMMENTS ON POLITICAL SITUATION

Santo Domingo LISTIN DIARIO in Spanish 15 Jan 86 p 7B

[Excerpt from speech by Monsignor Nicolas de Jesus Lopez Rodriguez, archbishop of Santo Domingo, when honored as the 1985 Man of the Year by the Foreign Press Correspondents Club]

[Excerpt] I again express my gratitude to the distinguished Foreign Press Correspondents Club for the honor that you saw fit to confer on me. I take this occasion to share some concerns with the beloved Dominican people which some mass media have echoed recently.

We are in the midst of an electoral campaign that presumably will intensify in the coming months. This is normal in every country that can choose its own government.

It is a time of great responsibility, especially for the political parties. I am referring to the selection of candidates who will be presented to the people. Unfortunately, the criteria of ability, honesty, experience, competence, and sense of duty do not always prevail. When it is time to select candidates, those who have distinguished themselves through friendship or support for certain influential people in the party are considered, ignoring their moral qualities and even ability. This is unacceptable.

Obviously, better qualities and greater personal ability must be required of those who aspire to positions of greater responsibility.

What I am saying about candidates for elected positions is also true for the same reasons about those who are appointed to any office in public administration.

As I have said before, serious people with a political calling should become involved in politics, not limit themselves to criticism and complaints about what we all see is bad. In my opinion, the only way to rescue politics from its age-old defects is to put it in the hands of those who have the qualities to practice it and have proven that ability during their careers.

It is necessary to show the people through deeds that politics is not synonymous with lies, hypocrisy, opportunism, usury, abuse, compromises, intrigues, and corruption. That is what the people think because that is what they have seen. Many people are convinced that all those who "arrive" are the same.

If we want the Dominican people to continue loving our shaky democracy (and we must say that it has been their preference for more than 20 years), we must give the people back the confidence that they have been losing as a result of repeated frustrations and disappointments. All the politicians of all factions, groups, and tendencies must learn this.

There are other reasons for concern. There is uncertainty about wages remaining at the levels that were set months ago. It seems incredible that there has been more than enough time to solve this problem but it is still pending.

The same is true of the national budget, the calls for strikes by various groups, price alterations by unscrupulous businessmen, and limitations to freedom of expression. These are serious concerns for the citizens.

Despite all this, we are sure that the Dominican people aspire to truly free elections for which they will continue to prepare. That is their right and, therefore, we all have the obligation to respect it.

In conclusion, I am pleased to greet the representatives of the mass media as well as the directors of the Foreign Press Correspondents Club. I pray that 1986 will be a year of achievements and that we will all serve the Dominican people more loyally and generously.

It seems like it is useless to mention such obvious things, but that is not true for us. Many of our legislators suffer from crass ignorance of their obligations.

The Central Electoral Board which has the responsibility for preparing, holding, and successfully carrying out the elections will need total participation by the government and the citizens to fulfill its task.

We know that it is a delicate and complex process. We must have the necessary resources and required personnel to offer the security of absolutely honest elections.

In order to achieve this, it is necessary to give all the candidates the same facilities and guarantees for movement and promotion of their respective programs and campaigns.

It is even more unusual that they continue collecting for work that has not been done. In good conscience, those funds should be allocated to many other noble causes and needs like the hospitals, children's homes and homes for the elderly, clinics, etc.

If only the legislators would voluntarily renounce those wages which they should not receive because they have not earned them.

It will be good for the political parties to be serious about the selection of candidates for Congress.

Not just any person can go there and sit on the bench, more or less bored. It should be known that it is a congress. Its prerogatives, its tremendous importance in strengthening a democratic government, how it functions, the rights and duties of a legislator, etc., must be known.

The mechanisms of constitutional guarantees that other countries have in order to control and correct those who commit a breach of faith should be established.

Another motive of concern is the complete break between the substantive branches of the state. It gives the impression that, instead of independent branches (as they should be), they are antagonistic branches that are in constant conflict, hindering their respective work. We hope that there are adequate channels of communication in the future and that, through absolute respect of prerogatives, solutions and good and respected agreements can be reached. Otherwise, the country will continue to drift.

The current situation of the National Congress and, more concretely, the Chamber of Deputies merits special attention. There will always be exceptions.

The legislators were elected by their respective provincial constituents to legislate. However, it looks like they forgot this responsibility.

These illustrious representatives of the people do not realize that, through their attitude, they make people think that their work is not important, that it can usually be ignored, that the country does not need their services.

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CSO: 3248/214

ROSARIO GOLD MINE REPORTS 1985 PROFITS

Santo Domingo LISTIN DIARIO in Spanish 17 Jan 86 pp 1, 9

[Article by Jose Romero]

[Text] Rosario Dominicana ended the year with a profit margin of some 40 million pesos, notably improving its financial position compared to 1984, according to the president of the company, Carlos A. Bermudez.

He pointed out that this profit margin was basically achieved through the administrative policy of cost control, one of the main undertakings of his administration. The average international price of gold was slightly lower in 1985 compared to 1984.

He said that the enterprise is particularly happy because the international price of gold has been rising again and is already more than $360 per ounce, a level it has not reached for 18 months.

Bermudez indicated that the enterprise cannot control--that is, has no direct effect on--the price since that is an international factor. However, it does its work by controling costs.

He indicated that the increase in the price of gold contributes to greater liquidity in hard currency for the country, precisely at a time when the price of sugar has dropped.

He said that the main concern is to continue maintaining acceptable levels between the cost of mining gold and the sales price.

There have been considerable achievements in this. With all its problems, 1985 was one of the best years in terms of profits for the enterprise.

Bermudez indicated that one factor that affected this result was that, with the exchange unification, Central Bank now gives it a higher rate of exchange, not the former one-to-one ratio.

As to payment of the debt, he pointed out that as Central Bank obtains dollars, Rosario builds a reserve in pesos to turn over to Central Bank when it is time for payment again. This is currently paralyzed by the agreement with the IMF.

He explained that the pesos it has to pay, which are also measured at the new exchange rate, are reserved for the time of payment.

Bermudez said that when international prices rise, as they do on a cyclical basis, the enterprise tries to exploit it as much as possible, selling the maximum and accelerating extraction. At this time, the movements of the market are being closely followed in order to improve sales.

He said he was very satisfied with the new explorations which have made it possible to extend the useful life of the oxide mine about a year longer with the discovery of new deposits. When his administration began, the useful life was estimated at 5 years.

There is more time to obtain the necessary financing for the development of sulfuric gold which would mean higher production.

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CSO: 3248/216

ECUADOR

ENERGY MINISTER ON AMORTIZATION OF PIPELINE DEBT

Quito EL COMERCIO in Spanish 16 Jan 86 p D-10

[Text] The trans-Ecuadorean oil pipeline will become the property of Ecuador next May following amortization of the cost of the project, which began in 1970. Meanwhile, various alternative possibilities for expanding its capacity to make it possible to ship out the new crude oil production in the coming years are being studied.

Acting Minister of Energy and Mines Fernando Santos has revealed that there are several possible ways of pumping the oil that the international companies will extract from the fields they are operating under service contracts.

He mentioned two of them, of which the leasing of the Colombian oil pipeline, which has been underutilized, is the least probable.

The first alternative, which has priority, involves expansion of the capacity of the system in three stages. Another pump would be installed at the 5 pumping stations in Lago Agrio, Lumbaqui, Salado, Baeza and Papallacta, as a result of which 320,000 barrels per day could be taken out. The cost would come to about $115 million.

The second phase would involve building a new pumping station in Quininde to increase the capacity to 350,000 barrels, with an investment of $150 million. The third stage would involve the installation of two pumps at the five pumping stations, to bring the oil transport capacity up to 400,000 barrels. The cost of this last stage is estimated at $200 million.

Santos Alvite said that it is expected that the studies on the results of the drillings the international companies will undertake in the course of 1986 will be ready by the end of this year.

However, he explained that the prospects involved are long-term, since the country will have the "great new production" in approximately 5 years.

Speaking of the production potential in the southeastern sector, he said that the studies submitted by the French Oil Institute offer two alternatives for taking out the crude oil this zone would produce.

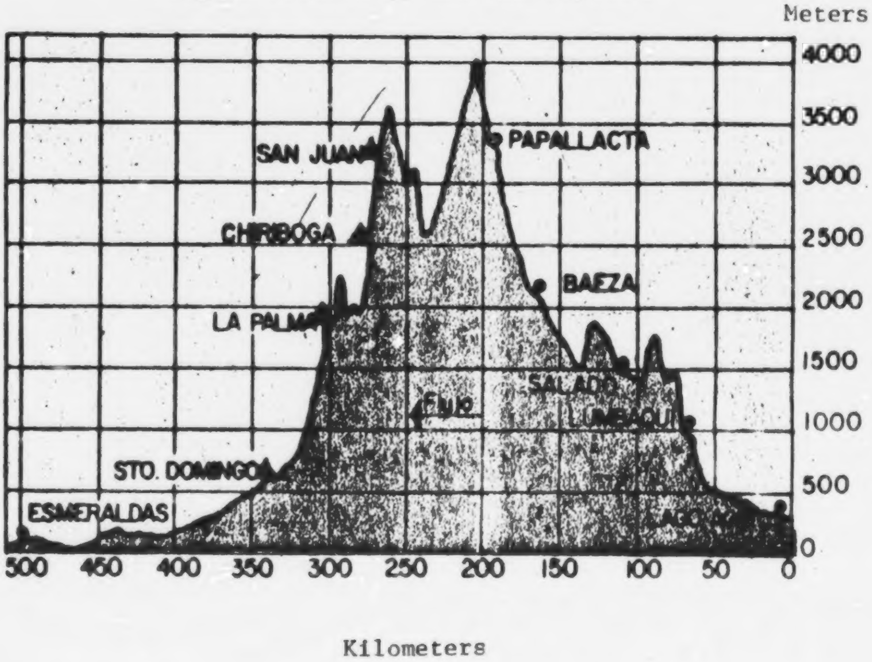
If the reserves established total 800 million barrels, a branch of the oil pipeline 130 kilometers long would have to be built between Tiguino and Montalvo to carry a 150,000 barrels. However, if the volume of the reserves is greater than this, a new pipeline would have to be built from the southeastern sector to the Balao terminal.

At the present time, the trans-Ecuadorean pipeline has the capacity to transport 300,000 barrels per day. It covers a total of 503 kilometers, beginning at Lago Agrio, the initial point in the northeastern part of the country, making a broad curve towards the south, and ending at the port of Balao in Esmeraldas, where the crude oil is delivered to six tanks with a capacity of 320,000 barrels each.

Along its length, the pipeline climbs to altitudes in excess of 4,000 meters, passes through the towns of Baeza and Papallacta, and drops to the Valley of the Chillos in the Inter-Andean pass. It then climbs the Western Range again, passing through the settlements of San Juan and Chiriboga, drops toward the coast through the settlements of Santo Domingo de los Colorados and La Palma, andproceeds from there to the terminal station located on a hill near Balao.

Beyond its outlets to the storage tanks at the maritime terminal, the oil pipeline extends a short distance of 6 kilometers into the sea, where the vessels anchored near the two buoys load oil at a rate varying between 50 and 80 thousand barrels per day.

Heights Crossed by the Oil Pipeline



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CSO: 3348/425

LARGE OIL INVESTMENT EXPECTED IN 1986

Quito EL COMERCIO in Spanish 14 Jan 86 p D-8

[Text] The international companies operating in the hydrocarbons sector in this country will make increased investments in the exploratory drilling and assessment programs this year.

The Esso-Hispanoil company will put its resources into geological and geophysical prospecting, in a total amount of $5,750,000, covering field work and road construction. The drilling of wells in Block 8 in the Amazon region is not planned.

The same is the case with the Belco company, which will invest $2,124,000 in field work and evaluation and processing of seismic data from Block 1 offshore, but will not launch the drilling of the first exploratory well.

However, in Block 2, $953,000 will be allocated for the geological and geophysical prospecting program, and $4,474,600 for the building of a stationary drilling platform for a 10,000 foot well and a logistics base near Guayaquil.

Occidental, for its part, which operates in Block 15 in the Amazon region, will invest $6,043,000 in exploratory drilling and evaluation. Of this sum, $5,808,000 will go to cover the drilling of the second exploratory well, while $4,996,000 will be spent on seismic work over a total of 600 kilometers, to complete the total for the block.

The investments of the Texaco-Pecten consortium will come to $4,120,000, covering topographic work over 880 kilometers, 1,200 kilometers of seismic lines, as well as magnetometric studies and data evaluation, and $1,050,000 for the purchase of equipment and materials.

Occidental will invest $125,000 for the purchase of plants and equipment. The Esso-Hispanoil consortium will invest $219,000; Belco will invest $15,000 in Block 1 and $45,000 in Block 2; and the Texaco-Pecten consortium will invest $70,000 in Block 6 on the coast.

The investments by Occidental to cover administrative expenditures will total $1,170,000, while those of Esso-Hispanoil in Block 1 will total $1,136,000;

those of Belco in Block 2 will total $287,500; and those of the Texaco-Pecten consortium $460,000.

Occidental has allocated $2,187,000 for other operational expenditures; Esso-Hispanoil has allocated $1,395,000; Belco, $551,200 for Block 1 and $1,096,800 for Block 2: and the Texaco-Pecten consortium $539,000.

In all, the totals for the various programs come to $14,521,000 for Occidental, $8,500,000 for Esso-Hispanoil, $2,977,700 for Block 1 and $6,856,900 for Block 2 for Belco, and $6,239,000 for Texaco-Pecten.

5157
CSO: 3348/425

GUATEMALA

MEDIA CRITICIZE CEREZO'S ACCESSIBILITY POLICY

President Announces Changes

Guatemala City PRENSA LIBRE in Spanish 25 Jan 86 p 4

[Text] The nation's chief executive, Vinicio Cerezo, told newsmen yesterday that all press conferences would be scheduled in advance, because both he and the cabinet ministers need time to plan their work for the country's development.

He said that to prevent the speculation and misinformation that has occurred under previous governments, the ministers would report specific actions, not unfounded rumors to the press.

"Thus, the ministers will give a press conference every week, but it will be scheduled in advance. In other words, every week a minister will talk about the activities of his ministry, and the president of the republic will hold a conference every 2 weeks."

Housing

The president indicated later on that one of the country's biggest problems is the lack of housing for thousands of Guatemalans. An emergency council has thus been set up to develop solutions for this problem within 3 months at the latest.

He called on people in rural areas not to come to the capital with the idea that they are going to find housing and jobs here. The problem will be tackled both in the capital and in the provinces.

Mutual Support Group (GAM)

With regard to the petitions from the GAM, which is protesting the disappearance of some 300 relatives, President Cerezo asserted that "the necessary investigations will be conducted to give the GAM people a clear-cut answer."

Santos Defends Guidelines

Guatemala City PRENSA LIBRE in Spanish 29 Jan 86 p 4

[Text] The public relations secretary of the presidency, Julio Santos, said yesterday that "the doors to the ministries will not be closed to newsmen; there will be more information and greater freedom, as the law provides."

The government spokesman was questioned by reporters at the military airport in connection with the displeasure among newsmen in the wake of President Cerezo's remark that once a week one of his ministers is going to give a press conference and he (the president) would give one every 2 weeks.

The fact of the matter, Santos stressed, is that President Cerezo did not mean that the ministers would only give press conferences on a certain schedule; rather, there will more information in addition to the conferences.

"There has been some confusion over this issue. According to what President Cerezo said, there will be more information, and there is complete freedom of information. But besides the daily reporting that our respectable colleagues from the media do, in addition to being able to interview the ministers on any topic, we are going to give you 15 press conferences in 15 days.

"There are no restrictions on the freedom of information; on the contrary, there is greater freedom and more information. So from now on reporters are going to have more work."

Was any decision made after what President Cerezo said because of protests by certain papers?

"There was no change. That was the initial idea. Perhaps the media did not understand at first the true nature of the new reporting policy that the president wants to establish. In other words, to give more information to the people, because that is our great responsibiilty.

"There used to be complaints that the people were misinformed. Now, besides the daily reporting by newsmen, we are going to give a daily press conference."

Press Called 'Unprofessional'

Guatemala City PRENSA LIBRE in Spanish 25 Jan 86 p 10

[Editorial: "President Cerezo's First Press Conference"]

[Text] The president of the republic, Vinicio Cerezo Arevalo, addressed a variety of issues, all of them of interest, at his first meeting with reporters since he took office on 14 January. As always, the economy was front and center, followed by the mysterious outbreak of violence that has led to the discovery of several bodies in rivers, along roads and at garbage dump sites in the capital city. And of course there were the questions about squatters on private lands.

The president underscored his complete devotion to the law as the hallmark of his administration. This is what the country has wanted for some time. Many of the misfortunes that now afflict us are probably due to the illicit actions of government. A government guided by principles that safeguard human dignity, economic development, sovereignty and, above all, freedom, is what the country needs to slowly but surely forge its destiny.

The president's press conferences could be more useful, however, if all the reporters asked questions that would elicit answers that are as useful as possible to the people, because as was the case yesterday, some, very few to be sure, show up without having prepared any questions. They show up to be seen and launch into lengthy speeches before posing a question with an obvious answer. One gets the feeling that what these gentlemen want is for the president to notice and get to know them and then, comfortably seated in their living rooms back home, to see and hear themselves. One of them asked a question about the agrarian reform yesterday, but beforehand he reeled off a lengthy speech that was of no interest whatsoever to either government officials or the public. Our media colleagues ought to realize, once and for all, that their opinions do not count, nor does their perspective on things count; what everyone is interested in is the responses and opinions of the officials being interviewed.

Officials often show admirable patience, though from time to time they may be tempted to give answers that are not at all to the liking of the questioner. One official revealed in a friendly conversation a few days ago that when he is asked: Will the government allow the death squads to continue operating? he silently asks himself a different question: Does this reporter think I'm stupid enough to answer yes, to tell him that we are going to allow the death squads to continue operating?

It is not asking too much of our colleagues to take the trouble of doing some research before attending these news conferences so that they can ask intelligent questions that are as specific as possible. We repeat, a reporter's bombastic speeches are of no interest. What is of interest is the quality of his questions.

One reporter, and here we are moving onto another topic, was saying yesterday shortly after the conference that he was horrified when one of his colleagues asked the president when the Public Relations Secretariat would start handing out advertising contracts to certain radio news programs. It would seem that he is unable to distinguish between a press conference and a business meeting. We believe that the questions will be more intelligent at upcoming press conferences. The public will thus be better served.

8743
CSO: 3248/262

CONGRESS CALLS FOR REPEAL OF MEJIA'S AMNESTY

Guatemala City PRENSA LIBRE in Spanish 29 Jan 86 p 2

[Text] Several legislators have called on the full session of Congress to repeal Decree-Law 8-86, which grants general amnesty to all individuals who are accused of committing or who committed political and related common crimes from 23 March 1982 to 14 January 1986.

The motion, which got through the first step towards passage, was submitted to yesterday's full session by congressmen Enrique de Leon (PSD), Edmond Mulet (UCN), Richard Shaw (UCN), Jaime Archila Marroquin (UCN), Arturo Amiel (UCN) and Hector Vasquez Gomez (PSD).

In the preamble the sponsors indicate that "during its last days in office the de facto government that has just handed over power issued a series of decree-laws on a broad range of matters. Most of them should be reviewed thoroughly and immediately repealed, because they are at odds with the current constitutional period and run counter to the Guatemalan people's desire for justice and peace.

"One of the decrees is 8-86, which the government issued to protect itself. The fact that the period that the amnesty covers coincides exactly with the time that the de facto government was in power shows that it was trying to protect itself. They ignored the rights of an entire nation, however. Most of the members of the security forces never committed crimes, and the attempt to protect them all implicates them all, which is not fair. Most of them are being pardoned for something that they did not do.

"President Cerezo Arevalo has announced that the government will not prosecute those who may have committed political and related common crimes and that the Executive Branch will take responsibility only for what happens henceforth in connection with human rights violations. In ruling out government prosecution, he said that those who regard themselves as injured parties can turn to the justice system.

"Private actions at law should be the rule here then. In other words, if the government cannot or does not wish to take the initiative, at least constitutional guarantees ought to be honored and citizens permitted to avail themselves of the law.

"We cannot allow a decree that restricts civil rights and that was enacted by a de facto government to remain in effect when the constitution is now in force," the sponsors of the motion state elsewhere. "Nor can we allow people who have never committed crimes to be pardoned. We cannot let stand a piece of legislation that benefits only those who issued it."

8743
CSO: 3248/259

GUATEMALA

CONFLICTING INTERPRETATIONS SURFACE ON RULE 3

Cerezo Announces Repeal

Guatemala City PRENSA LIBRE in Spanish 6 Feb 86 p 6

[Text] The taxes that correspond to the so-called "Rule 3" will be temporarily suspended this year so that there will be no excuse for raising prices for previously imported goods, stated President Vinicio Cerezo Arevalo yesterday.

The leader told the press that people "are trying to blame the government" for the rise in the prices of various imported goods. "The truth is," he emphasized, "no one has been made to pay taxes on the imported goods."

"Therefore, so that there will be no excuse and so that we can really have objective data to ask them (merchants) to work on behalf of the national interests, at this time we are sponsoring a measure in Congress to help the people."

President Cerezo also announced that in a short time the finance minister will hold a press conference to report on a package of economic measures for the short term. First, however, the package must be discussed with the different sectors in the country.

As for the mass dismissals of employees in various municipalities, the president stated that "instructions have been given to all Christian Democratic mayors to stop these actions and to dismiss only those individuals proven to have been involved in activities considered to be corrupt."

In the case of the capital city, he stressed, the government respects municipal autonomy.

"We have not engaged in mass dismissals; only a handful of people who really committed offenses, or, for example, some who drew salaries and never showed up for work, were fired."

Two Press Conferences

Cerezo also reported that next week there will be two press conferences. In the first, he will discuss various aspects of the plan of action designed to solve housing problems. At the other, he will report on the initial steps toward economic stabilization, which are expected to take place at the end of March.

Law in Effect

Guatemala City PRENSA LIBRE in Spanish 8 Feb 86 p 2

[Text] "The enforcement of Rule 3 has been misinterpreted, because the agreement for the new Central American Tariff became effective on 1 January. Therefore, there is no 1-year exemption for importing new goods," stated Dr Rodolfo Paiz Andrade yesterday.

"President Cerezo stated with the best of intentions that those goods which had been negotiated before 1 January and were still in warehouses, or which had not yet arrived in the country even though the transaction date had passed, were exempt from taxation under Rule 3.

"He mentioned a period of 1 year, but many mistakenly thought that it meant the current calendar year 1986. That is not the case; there are also limitations which allow for merchandise shipped through February," added the minister.

"The Central American Tariff agreement cannot be modified, because the five countries in the region are subject to it. It was designed specifically to strengthen the Central American Common Market, which will benefit everyone by reactivating the regional economy.

"As for merchants or industrialists who have already paid their taxes, taking into consideration the flexibility built into the decree, naturally the possibility of a rebate is being discussed. That might be the best solution in this case, or there might be a customs voucher, meaning that some future import is already paid for. Or, this document could be negotiated," stated Dr Paiz Andrade.

The finance minister also mentioned a meeting that is taking place with foreign delegations representing banks and international financial institutions. The reason for the meeting is to study a renegotiation of the debt, but at this time it is still under study; no precise conclusion has been reached. Therefore, no more details can be provided.

Congress Refuses to Repeal

Guatemala City PRENSA LIBRE in Spanish 14 Feb 86 p 23

[Text] Several deputies presented a motion to suspend Decree-Law 149-85, known as Rule 3, and Decree-Law 3-86, the selective excise tax. The motion was voted down, however, by the deputies of the majority delegation in

Congress, the Christian Democrats (DC), and eight deputies from other parties in yesterday's session.

The motion went through the first reading in the session the day before yesterday. It was sponsored by Deputy Mario Taracena Diaz-Sol and several deputies of the Union of the National Center (UCN), the National Liberation Movement (MLN), and others. The motion was aimed at suspending these controversial decrees, which have been opposed by the majority because of the economic and social problems they will cause, until an exhaustive study of them can be carried out.

The sponsoring deputies argued that the measures should be suspended so that further studies could be conducted and a dialogue could be initiated with the sectors involved.

When the motion was opened for debate yesterday in a second reading for admission, Deputy Carlos Simmons (MLN) argued in favor of the suspension. He said that a far-reaching political and economic study should be conducted, because at present "we do not have to inherit this disastrous legislation" from a "corrupt government," because what we want, he stressed, is to create economic certainty.

The DC deputies did not say anything in the debate, but when the vote came, only 20 voted in favor of the motion, in a quorum of 79. In other words, the motion did not carry.

Explained Vote

Deputy Jorge Skinner Klee was the first to explain his vote. He expressed regret about the result, because usually Congress accepts motions proposed by the deputies who intend to sponsor bills, and then the measures go to committee to be studied.

"They are tying the deputies' hands," he said, "and that is unpleasant. I regret to see the deputies being deprived of their faculties."

"We feel that when we are trying to find viable solutions," said Mario Taracena, "along comes the government steam roller, and nothing can be done. No one can stand up against the green steam roller (the color of the Christian Democrats). Decree 10-86, which we passed, is just a palliative. The same problem will occur again on 1 March. It is said that in a couple of weeks we will have a new economic package; but the economy minister said that there would be no tax package. The contradictions continue."

Abraham Rivera, of the MAS, expressed regret that the matter did not reach debate, since these were representatives of the people, but with majority delegations, 51, meaning all of Congress.

"We believe in dialogue, in discussion. We will vote in favor of any bill that looks good to us."

Juan Carlos Simmons said: "Let our position be known. A dangerous precedent has been set when a matter of national interest is not even put up for debate, and 'brute force' is exerted to prevent it."

"This attitude is 'disturbing,'" said Richard Shaw, explaining his vote against the attempt to coordinate efforts.

Carlos Gelhert Mata (DC) stated: "I voted against it, because the ad hoc committee has been working for over 2 weeks on this matter, and we must study and analyze that committee's report."

Ricardo Gomez, chief of the DC caucus, said it was "stubborn to try to bring up this issue. This has already been debated extensively, but we did not accept the motion because it is inconsistent. There is no reason for this matter to be brought up. We are going to discuss the economic policy with the government, and all sectors will be taken into account. It is not just a question of taxes, but of studying the economic, exchange, monetary, and fiscal situation as a whole. The result will come after a far-reaching discussion."

Oscar Rivas, the only deputy for the Democratic Institutional Party (PID), described this attitude as "cynical, because the steam roller thinks it represents all Guatemalans, and that is dangerous. Not allowing debate indicates a lack of democracy."

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ECONOMY MINISTER ON TAXES, RULE 3, DEVALUATION

Denies Additional Increases

Guatemala City PRENSA LIBRE in Spanish 13 Feb 86 p 2

[Text] "It is not true that a new package of taxes will be implemented," said Economy Minister Lizardo Sosa Lopez yesterday during a press conference in the banquet hall of the national palace.

At the meeting with journalists, he was accompanied by the vice-ministers of his sector, Eduardo Estrada Galvez and Jose Antonio Blanco Gomez. Also present was the public relations secretary of the President's Office, Julio Santos.

Minister Sosa indicated that his administration will be conducted in an atmosphere of morality and honesty, in order to do away with the vices of the past. "It is no secret to the citizenry that our country has been the victim of a kind of cancer that is eating away at all our moral, social and political structures."

He also stated that President Cerezo is seeking the best ways to solve the serious economic crisis that is plaguing all of the people of Guatemala.

"But all those measures will emerge from an effort to coordinate the various sectors. There will be no improvising, nor any new tax packages, as some elements of the mass media have speculated."

As for the policy of ceiling prices, Minister Sosa repeated that "some products in the so-called family basket are being analyzed so that they can be taken off the list corresponding to Law 1-85."

"The idea is to make government action more flexible so that producers cannot bring activity to a halt at a given moment, or cause the products to disappear from the market."

"Prices," he went on, "should be in line with reality. We cannot punish businessmen, because that would cause problems for factories. The ministry will, however, continue to make sure that the prices in the basic basket stay below a given ceiling to prevent speculation."

Rule 3

With regard to Rule 3, Minister Sosa indicated that this law is in effect, and can only be repealed by the Congress of the Republic. It involves certain commitments to other nations of Central America, he noted.

As for the fines imposed by the previous economy minister on various businesses that altered prices, he indicated that "I was going to propose to President Cerezo that these cases be reviewed, but they will not be thrown out."

Prospects for Economy

Guatemala City PRENSA LIBRE in Spanish 21 Jan 86 p 7

[Text] "The national economy is deteriorating more and more, and I believe that worse times lie ahead. Our task is to prevent even sharper declines," said Economy Minister Lizardo Sosa yesterday. He also indicated that he "favors the unification of the exchange rate."

The head of the Economy Ministry was interviewed by journalists in a corridor in the national palace. He was asked about the insistent requests by the Coordinating Committee of Agricultural, Commercial, Industrial and Financial Associations (CACIF), which in paid advertisements in the mass media has been calling for "the unification of the exchange rate as soon as possible to stimulate exports."

As for the selective consumption tax, the official emphasized that it is not in effect yet, because first President Cerezo must approve at a cabinet meeting a list of the various items that will be subject to the tax.

Regarding the law that is known as "Rule 3," he indicated that only Congress can repeal it, because it is a decree-law issued by the previous government.

Exchange Rate Unification

With respect to the exchange rate unification, which critics say amounts to a devaluation of the currency, Minister Sosa stated that "we must recognize that it could be one solution."

He pointed out that some people have a rather hazy idea of what unification is, because they think it would mean setting an exchange rate of 3 or 4 quetzales to the dollar. That is not true, he said. The exchange rate could be one to one, which would wipe out the parallel market. All of that, he stressed, must be decided by the Bank of Guatemala and the Monetary Board.

"The fact is, to make that decision it is necessary to analyze all possible solutions, and if it is determined that exchange rate unification could be the solution, then it certainly will have to be done.

"We must recognize that we Guatemalans are buying undervalued goods. That affects us even along the border, where our neighbors come to our markets and take whatever they want, because 'the cost of living is very cheap here.'

"I favor three options: first, we should fight inflation; and I think the government should reunify the exchange rate in an appropriate manner so that our economy can be put in order. We must not forget its social function, however. In other words, all the effects derived from the economic measures taken at a given moment should be spread out among all sectors.

"We will consider this government successful if we manage to halt the deterioration process that has been taking place in the economy. I could not send a message to the people to the effect that living will become cheaper; rather, I would say that the trends in the economy, especially because of the persistent crisis, will cause 'the economic situation to deteriorate even further.'

"I would tell the people that worse times, not better ones, lie ahead. Our task is to prevent an even sharper decline. We must make economic decisions that will enable us to correct the situation and that will at least stop the downslide. In a year or two, we should be able to offer some improvement to the people."

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GUATEMALA

POLITICAL LEADERS REACT TO UNRG PEACE OVERTURES

MLN's Sandoval Advises Caution

Guatemala City PRENSA LIBRE in Spanish 9 Feb 86 p 2

[Text] "It is advisable to wait a short time before taking a stand on the offer by the guerrilla movement not to interfere with the work of the Christian Democratic government headed by Vinicio Cerezo," stated Mario Sandoval Alarcon, leader of the right-wing National Liberation Movement (MLN).

Sandoval Alarcon contends that the guerrillas are not acting on their own initiative, but rather on the basis of instructions from abroad, from Cuba, Nicaragua, and other socialist countries.

Sandoval Alarcon spoke to this newspaper Friday night at his residence in this capital, where he said he was meeting with some MLN leaders to discuss party matters.

The statements made by Pablo Monsanto in Havana, Cuba during a session of the 3rd Congress of that country's Communist Party, in the presence of Dr Fidel Castro, were broadcast throughout the world by news agencies.

Little comment has been forthcoming in Guatemala. One remark was made by the president of the Congress, Alfonso Cabrera Hidalgo, secretary general of the Guatemalan Christian Democratic Party. He praised the guerrillas' decision, because he claimed that it "means one less obstacle to contend with in our effort to meet our commitment to the people."

Cabrera Hidalgo was also quoted as saying, "Thanks be to God, the efforts of Guatemalans to achieve democratization are beginning to be understood."

The international news services identify Monsanto as the commander of the Guatemalan National Revolutionary Union (UNRG), which comprises four guerrilla organizations: The Guerrilla Army of the Poor, the Armed Rebel Forces (FAR), the Organization of the People in Arms (ORPA), and the Guatemalan Labor Party.

This guerrilla movement, which achieved peak effectiveness in the 1980s, is now very weak, according to statements made by Gen Oscar Humberto Mejia Victores days before leaving office on 14 January of this year.

PSD, UCN See 'Good Sign'

Guatemala City PRENSA LIBRE in Spanish 10 Feb 86 p 7

[Text] Political leaders stated yesterday that the guerrillas' decision to engage in a truce with the Christian Democratic government is a sign of a democratic liberalization in Guatemala.

Ramiro de Leon Carpio, secretary general of the Union of the National Center (UCN), stated that the announced truce will be well received in Guatemala, and especially abroad. "It means that justice is being done to ensure that democracy prevails," he said.

"It also reveals," he stated, "that they have confidence, and that at a given moment they could lay down their arms and participate publicly in the country's political life for the achievement of a real peace, as required under the Constitution of the Republic.

De Leon Carpio added that the UCN is in a constructive opposition, and that it will not merely applaud the actions of the current government. The announced guerrilla truce is a clear indication that "good things are happening to promote the installation of a pluralist, libertarian political system."

PSD's View

Deputy Enrique de Leon, a congressional deputy for the Democratic Socialist Party (PSD), commented on this matter that "the guerrilla leaders' decision to enter into this truce also entails their support for the country's socioeconomic and political development."

"Guatemala, like all countries with a constitutional system, and particularly those that are beginning a democracy, deserves the support of all sectors. These movements are naturally included in those sectors."

A wire story datelined Havana, Cuba announced that the Guatemalan guerrillas will not prevent President Cerezo from fulfilling out his democratic promises, particularly because the government promised active neutrality in the region, an end to repression, and social change.

The leader of the Guatemalan National Revolutionary Union (UNRG), Pablo Monsanto, stated that "we will not be counted among the enemies of these efforts, because our commitment is not to the promises, but to deeds."

Canale, Reyes, Urrutia React

Guatemala City PRENSA LIBRE in Spanish 10 Feb 86 p 10

[Text] "Any truce with the rebels should be the result of a sincere dialogue within full view of the Guatemalan people," stated political leaders yesterday, referring to the position taken by the Guatemalan insurgents with respect to the Christian Democratic government. The insurgents revealed their position to the press in Havana, Cuba.

Pablo Monsanto, one of the principal leaders of the Guatemalan National Revolutionary Union (UNRG), said in Havana that President Cerezo has promised to respect human rights, undertake fundamental social change, and institute a government for the people.

Monsanto indicated that the UNRG cannot oppose these promises, but that it is necessary for these intentions to be put into effect. "We want deeds, not promises. That is why we will continue our armed struggle, but we would like to negotiate a truce."

President Cerezo stated recently at a press conference that for now he could offer no guarantees to the rebels. He said he would need at least a year to talk to them and reach an understanding so that they could participate in the liberalization and democratization process.

Politicians' Views

Political leader and former deputy candidate Jorge Canale Nanne stated that the rebels may have good intentions, especially now that our country is involved in a severe economic crisis.

"It appears that the economic authorities are still unable to find the solutions to alleviate this situation. Therefore, I believe that a truce should be the result of specific talks regarding conditions, positions, and what is expected of them in the future.

"Any armed struggle is very difficult, because it pits Guatemalans against Guatemalans. We should be fighting for a permanent peace in which we all have an obligation to cooperate. If we have peace, the political violence will subside. I believe that the people would accept a dialogue with the guerrillas."

Identification

Francisco Reyes Ixcamey, secretary general of the incipient political group known as the Popular Democratic Force (FDP), stated that the dialogue or understanding should take place in two fully identified sectors.

"We must recognize that Vinicio Cerezo is at the head of a fully elected government, and his working plan is aimed at the neediest sectors.

"For this reason, I think that the truce with the rebels could pave the way for the Christian Democrats to carry out the plans the people want, and to instill confidence in the citizenry so that we can attain the tranquility for which Guatemala yearns."

Things Are Changing

The young political leader Leopoldo Urrutia Beltran, leader of Democratic Action (AD), pointed out that the armed struggle is the result of the negative policy of previous governments.

The world recognizes that substantial changes are beginning to come about in Guatemala, that the country's terrible image abroad is beginning to be rectified, and that the government has promised to respect human rights, and for this reason we feel that "the rebels see the possibility of a truce."

"If the persectuion of organized workers and peasants ceases in the future, if there is no more kidnapping and murder of student leaders, politicians and other leaders, if the changes implemented by the Christian Democratic government bring us to a more humane situation, then there will be no reason for any battles between the rebels and the government. The only way will be through participation in the political liberalization process, which is being guaranteed by Mr Cerezo Arevalo."

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GUATEMALA

COORDINATING COMMITTEES PLACED UNDER CIVILIANS

Military Supplanted

Guatemala City PRENSA LIBRE in Spanish 13 Feb 86 p 22

[Text] The departmental governors will chair the interinstitutional coordinating committees, replacing the commanders of the country's military zones, sources in the National Palace said yesterday.

The officials will be appointed next week by the president of the republic so that they can begin their jobs as soon as possible.

These task forces are thus not going to be dissolved, as had been speculated some days before the Christian Democratic administration took office.

The coordinating committees comprise representatives of the public sector, private groups, associations, etc, in the republic's departments and, in the judgment of communities there, opened all of the channels needed to pursue assistance programs.

Mata on Changes

Guatemala City PRENSA LIBRE in Spanish 14 Feb 86 p 6

[Text] To further the country's development a series of changes have to be made in government; in particular, the various levels of the interinstitutional coordinating committees have to be revamped, stated Congressman Carlos Gehlert Mata, the chairman of the Congressional Development Committee.

The overhaul must take place on the national, departmental, municipal and community levels.

"The current hierarchy of the coordinating committees, under Decree 111-84, has the chief of staff of national defense as the top man in the committees, followed by the director of civilian affairs of the defense staff, and at the departmental level the commander of the jurisdictional military zone is in charge.

"This was fine during a state of emergency, but we do not regard it as the best arrangement under a civilian democratic regime.

"The committee that I chair is going to propose that Congress amend Decree 111-84, so that at the national level the coordinating committees are run by the president and vice president of the republic, the development minister, the army chief of general staff, the secretary of the National Planning Council, the director of the National Reconstruction Committee, the technical director of the budget, and the manager of the National Institute of Public Administration."

In the departments, the hierarchy will look like this: the departmental governor, the mayor of the departmental capital, the commander of the jurisdictional military zone; the officials who are headquartered in the department and who hold regional or departmental public sector supervisory posts; three freely elected representatives of the people with acknowledged good names; and a technical official from the general secretariat of the National Planning Council. The coordinating committees will be organized in a similar way at the municipal and town levels.

"The bill that we will submit will repeal all of the provisions of law that run counter to the amendment.

"What we are proposing is not a superficial change. It is an in-depth change. The coordinating committees will move from a military to a civilian structure.

"The army is not excluded; it is being incorporated at the appropriate level, as part of the construction of a civilian, democratic and constitutional government."

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GUATEMALA

SUCCHINI NAMED CHIEF OF NATIONAL POLICE

Guatemala City PRENSA LIBRE in Spanish 14 Feb 86 p 2

[Text] The new director of the National Police will take office at 1600 hours today, Interior Minister Juan Jose Rodil Peralta reported yesterday.

The minister declined to reveal the name of the man who will be replacing police commissioner Jose Felix Alvarez Arevalo, but it was learned that it is Col Carlos Succhini.

Minister Rodil stated that the National Police's new organizational look would not be made public until today. It was also learned that the current assistant director, police commissioner Juan Francisco Cifuentes, would stay on; Minister Rodil neither denied nor confirmed the report.

Reorganization for the Good of the Community

Rodil Peralta told newsmen that the reorganization of the police is irreversible, because the aim is to achieve the tranquility that Guatemalan society needs.

He indicated that he personally felt that all of the police forces, including those of other entities, ought to be revamped, as will be done with the National Police.

He emphasized that in making changes in the National Police, Guatemala would get aid from friendly countries, which "will provide technical assistance and perhaps also help us to improve our radio communication and patrol equipment."

Rodil made particular mention of vehicle robberies, which according to investigations are being carried out by organized gangs residing in neighboring countries. There are thieves who bring stolen vehicles into the country and take others out to sell them.

"We have initiated contacts with the police forces in neighboring countries to halt these robberies of vehicles and to apprehend the gangs that have been formed for this purpose."

Directorate General of Prisons Could Disappear

Minister Rodil also talked about the study that advisers in his ministry are conducting to see whether reforms can be undertaken in the General Directorate of Prisons.

Although he did not say so, the interior minister hinted that the directorate may disappear or be substantially overhauled under the prison reform policy that President Cerezo Arevalo will implement.

War on Drug Trafficking

The government recently reported that the bodies of five persons, three Hindus and two Lebanese, had been found. And the body of a Cuban turned up the day before yesterday.

Commenting on these cases, the interior minister said that "these crimes would seem to be drug-related, not political."

"The police," he underscored, "are investigating the motives for the murder of these foreigners in Guatemala."

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FOREIGN MINISTER UNDERSCORES NEUTRALITY POLICY

Guatemala City PRENSA LIBRE in Spanish 14 Feb 86 p 8

[Text] Foreign Minister Mario Quinones Amezquita repeated yesterday that the government is neutral on the Central American conflict, above all regarding the isolated incidents that have arisen between Nicaragua, Honduras and Costa Rica.

Quinones emphasized that President Cerezo, since taking office on 14 January, has made clear his position on the turmoil of the region.

Although he did not say so, the head of foreign affairs was referring to the Honduran Government's accusation that Nicaragua is engaging in aggression against it. On many occasions both Honduras and Costa Rica have criticized the neutral stance of the Guatemalan Government.

"Our position," he stated, "is one of total impartiality on these problems. We will maintain a firm policy of respecting the internal affairs of other countries and the self-determination of nations."

The foreign minister also mentioned the Contadora Group, noting that it has fulfilled its purpose by avoiding armed conflict in the region. He indicated that these prpoblems were not brought to the OAS for discussion because it was felt that that was not the appropriate forum for dealing with them. There was fear of a certain amount of partiality there.

"Contadora," he went on, "has Guatemala's backing, because its efforts have yielded a great benefit for the communities of the isthmus."

He stated that the creation of the Central American Parliament (PC), proposed by President Cerezo, would not displace Contadora. On the contrary, it would serve as a tool for effective cooperation with the Contadora Group.

Referring to the United States' possible withdrawal from the International Coffee Organization (OIC), he indicated that this move would have unforeseeable implications for the producing countries.

He added that the OIC is made up of 50 member states, which would all be affected if the United States withdrew because a veritable price war would ensue.

When asked about the barriers put up by the U.S. Embassy in the streets adjacent to its headquarters, Foreign Minister Quinones said that "in the next few days I will talk to Dr Alberto Piedra, the ambassador, to seek other means that will be more convenient for the residents of that area."

He added that many Guatemalans and foreigners could fall victim in any attack against the U.S. diplomatic headquarters. Other security mechanisms are required, he added, to provide guarantees and prevent attacks on the embassy.

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COMMENTARY QUESTIONS EFFICACY OF FOREIGN AID

Guatemala City PRENSA LIBRE in Spanish 14 Feb 86 p 11

[Commentary by L. Martinez-Mont: "Foreign Aid or International Charity?"; 14 February 1986, Guatemala]

[Text] Guatemala's international image is quickly being revamped. The press of the free world is remarking on our achievements, and some hasty oracle has already predicted that our recently inaugurated president will go down in Central American political history. Even the impenetrable human rights commissioner gave us something resembling a smile on his last visit!

It would be impertinent to ask whether we could sell our new image and how much it would fetch. But the impertinence is less flagrant if we change the wording: How much foreign aid can we get for meeting certain requirements?

In fact, we have absolutely nothing coming to us, insofar as we cannot demand anything. Much has been written about poor countries' right to be compensated for the exploitation to which they were subjected in the past. But even if the exploitation argument were valid, there is not yet--and probably never will be--a mechanism whereby the poor countries can enforce that right. For practical purposes, foreign aid will continue to be what it has always been: a system of international charity administered by the governments of the rich countries, which set forth the conditions for receiving the aid.

On the other hand, the funds available for helping poor countries overcome their difficulties are becoming a non-renewable resource. As the requests for aid mount, the willingness to honor them declines. The citizens of the rich countries are increasingly questioning not only the pragmatic benefits but also the moral foundations for foreign aid. The astronomical sums paid out so far have not produced the expected results. Despite the noble intentions routinely expressed by the favored governments, despite the controls established by the donating governments, the primary purpose of alleviating poverty and oppression in the world has not been achieved.

In many cases foreign aid has strengthened repressive governments. The economic benefits, which were supposed to reach the indigent masses, have been concentrated primarily among the ruling elites and their associates. A compilation of results from all over the world would probably reveal that foreign aid has contributed more to corruption and political manipulation than to the economic development and liberation of peoples.

In today's world, more than 100 governments depend on foreign aid to some extent for the success of their efforts and the progress of their countries. Judging by the documents released by the Christian Democrats during the election campaign, the Guatemalan Government is among them. There is one fortunate circumstance, however: Guatemala has not been one of the spoiled countries. It has not become addicted to these transfusions. It has not sacrificed its dignity at the altar of foreign aid.

This fact allows us to face the future with serenity. We can reject those offers with strings attached that would in any way damage our dignity as a sovereign nation. We can gratefully accept the generosity of friendly nations that are aware of our poverty. If the benefits reach the poorest of our countrymen, then the only legitimate goal of foreign aid, understood as international charity, will have been accomplished.

As for the causes of our poverty, it would be wrong to look for them in the unfavorable treatment we have received from those who dole out foreign aid. Since the system was instituted, there has not been a single case of a country that has emerged from underdevelopment thanks to these transfers. Nor is there any relationship between the relative progress of the various poor countries and the amount of aid each has received.

The history of foreign aid shows that development and freedom are not cosmetics that can be applied externally. The history of mankind illustrates that peoples progress when they find within themselves the energy to fight against poverty and oppression, and when respect for individual rights frees the creative forces of human intelligence.

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GUATEMALA

CODE OF CRIMINAL PROCEDURE UNDERGOES REFORMS

Effects Outlined

Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 4

[Text] "The amendments to the Code of Criminal Procedure contained in the new constitution of the republic will force the police to use more modern methods and will prevent abuses of power," the director of the association of inmates and released inmates, attorney Julio Rene Garcia y Garcia, said yesterday.

"At first, these reforms will be difficult to comply with, because they entail a complete change in the way that police officers must operate, to protect individual rights and to help establish a genuine democracy," he added.

"Under the constitution, a person can be arrested only if he is charged with committing a felony [delito] or misdemeanor [falta] and if an appropriate authority has issued a warrant in accordance with the law. Cases of felonies or misdemeanors detected in the act are excepted. Arrested individuals must be placed in the custody of the appropriate judicial authority within 6 hours and cannot be placed in the custody of another authority.

"An official or agent who violates the provisions of this article is punishable under the law. The appropriate courts will bring the corresponding action.

"The ideal thing," Garcia y Garcia said, "would be for policemen to carry a card with them that they would read to individuals at the time they are arrested. They would be informed of their right to counsel, of how long they would be held for trial, and that a relative of their choice would be apprised of their arrest.

"In addition, policemen would fill out a form indicating the grounds for the arrest, the place where the arrested individual will be held and the court of custody.

"Although a ban on arresting individuals without a warrant from a competent judge might apparently hinder investigations, this will not be the case, because by adopting more modern methods the police will be able to furnish sufficient evidence before and after the arrest warrant is issued.

"At present, police agents arrest people without enough evidence to convict them. For example, most of the people arrested in a police raid are immediately released because there is not enough evidence that they are guilty of a crime.

"Several of the regulations set forth in the constitution were already in force. They were never complied with or observed, however. Thus, the new government's desire to establish a real democracy and not to see the law circumvented again is praiseworthy," Garcia y Garcia said in conclusion.

Arrests Diminish

Guatemala City PRENSA LIBRE in Spanish 18 Jan 86 p 4

[Text] The number of people placed in court custody has dropped markedly, because the National Police has been acting only on charges filed by the citizens who have been hit by the wave of violence throughout the country.

According to the Judiciary's spokesman [relacionista], attorney Luis Fernando Lopez Luarca, the trend may be due to the changes in the penal code that the new constitution provides for.

One of the changes is that citizens cannot be arrested without a warrant from a competent judge, unless they are caught in the act of committing a crime, or as a result of public outcry.

Another of the reforms to the code is that suspects must be turned over to the courts within a period not to exceed 6 hours.

8743
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GUATEMALA

UCN, PRIVATE SECTOR CALL FOR ECONOMIC REFORMS

Higher Inflation Predicted

Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 5

[Text] "If the exchange rate is not unified, we will continue to live in our present state of poverty," said the president of the Chamber of Commerce, Pedro Miguel Lamport, yesterday.

The business leader was interviewed yesterday at the National Palace prior to a meeting with Economy Minister Lizardo Sosa.

He explained that the Chamber of Commerce is firm in its support of the Coordinating Committee of Agricultural, Commercial, Industrial and Financial Associations (CACIF), which has always cited the need for exchange unification, considering it to be of vital importance in solving the serious crisis that faces us today.

"Until there is exchange unification," repeated Lamport, "the monetization process will continue, causing greater inflationary problems. We have already seen that this phenomenon has two adverse consequences for economic recovery.

"The first is that it drastically reduces the currency's buying power, and therefore the population's income. Secondly, it also has a severe impact on unemployment.

"If these problems are not solved, prices and unemployment will continue to rise."

Economy Minister Sosa, interviewed yesterday regarding his position on the CACIF call for exchange unification, stated that "the government is currently conducting the necessary studies to deal with economic problems."

"I believe," he emphasized, "that first of all we must determine what the problems are, and then options will be proposed to all national sectors to solve them."

In addition, the minister indicated that "exchange unification, in his personal view, could be studied in the government, but there is nothing on that now."

Investors Seek Clear Policy

Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 12

[Text] There are clear indications that the erroneous tax policy of the previous regime will be followed by the current government, said marketing specialist Enrique Rittscher, leader of the equitocracy movement.

"In this regard," he said, "the government should clearly define the path it intends to take in the economy, giving the productive sector the necessary guidance about whether or not it can invest. Guatemala's economic, social and cultural progress will depend on it."

Rittscher stated that if guarantees are not given for productive investment, it will decline further, and thus unemployment and underemployment will rise. In addition, competition in production will be absent, and thus shortages will be more frequent. This, in turn, will lead to the proliferation of black markets, higher prices, social frustration, more violence, and a greater need for public spending to maintain order. All of this amounts to a vicious circle that will promote an even heavier drain of capital.

"Where do they think more taxes will come from?" he asked. "If investment does not rise, there will not be more employment or commerce. Thus, to boost investment an atmosphere of confidence must be created. If the new government does not do this soon, the crisis we are confronting will grow worse," concluded Rittscher.

Mejia Decrees Under Review

Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 2

[Text] On the initiative of Deputy Mario Taracena Diaz-Sol of the Union of the National Center (UCN) and his fellow UCN deputies, Congressional leaders have named a committee to look into the decree-laws issued recently by the previous government. The committee, which has a 15-day term, will investigate the decree-laws related to fiscal policy, and will issue a report recommending possible repeal or modifications of that legislation.

Deputy Taracena and the other deputies of the UCN caucus stated that during the last few days of its administration, the de facto government issued a series of tax-related decrees that have a direct or indirect impact on all the socioeconomic sectors of the population, particularly those with lower incomes.

It was noted that these decrees have raised the cost of living and further lowered the real income of the Guatemalan people, thus aggravating the economic crisis. The committee, to be composed of one deputy from each party, must conduct an analysis of the aforementioned decrees.

In yesterday's session, President Alfonso Cabrera adopted the motion as his own, and stated that four deputies who are experts on these matters have been named to the investigating committee. The deputies assigned to study the decrees and issue a report are: Hector Luna Troccoli of the UCN; Miguel Angel Ponciano, National Liberation Movement (MLN); Ricardo Gomez, Christian Democratic (DC); and Enrique Claverie Delgado, Revolutionary Party (PR). Three of these deputies are lawyers, and Ponciano is an engineer.

Broader Participation Advocated

Guatemala City PRENSA LIBRE in Spanish 10 Feb 86 p 11

[Commentary by E. Rittscher A.: "A Troubled Business Sector!", 10 February 1986, Guatemala; passages enclosed in slantlines printed in boldface]

[Text] According to Dr Manuel Ayau, rector of Francisco Marroquin University, the business sector is (or was) troubled (see page 5 of EL GRAFICO, 1/18/86).

/"We do not know what path the new government will take,"/ Dr Ayau was quoted as saying before 1,000 businessmen. He included himself among those who are troubled.

/"Are we going to maintain the same economic policy?"/ he asked, presumably referring to the policy of fiscal taxation, state intervention, and monetization to cover the rising costs of government, with the resultant decline in the value of our quetzal and increase in inflation. This, added to the insecurity that comes with so many changes in legislation, leads people to suspect that the new government is merely an extension of the old one--at least in the economic and fiscal spheres.

It appears, then, that there was some coordination, but not with the business sector. Not with the labor sector, or with the regulatory sector, or with the cultural sector, but just with part of the military subsector, that part of the previous government that constitutes a protective sector, according to an equitable, functional division of the population.

These most recent measures taken by the military government before turning over the symbols and titles (which had been legalized by them and by the partycrats) of government authority, as the outgoing government cemented its erroneous policy of taxation and intervention in that series of decree-laws, lead to the conclusion that the military government imposed that coordination. Thus, it carried out the transfer of the symbols and titles of authority /without/ a complete surrender of real power.

It is said that /"he who remains silent gives his consent,"/ and the new government kept silent and thus acquiesced to the erroneous economic and fiscal policy of the previous government.

The situation can still be remedied, however. If we really want progress in this country, we can proceed to a genuine coordination. One that inclues

/all/ sectors, as it should, and not just the partisan political sectors, or one sector more than another. Neither should it be a coordination imposed from above in a dictatorial manner, as in the unfortunate "national dialogue" of the previous government.

No! A preconceived plan should not be imposed arbitrarily; a constant coordination /among/ all sectors of economic and social activity should be advanced as an initial step, so that this more genuine intersectorial coordination can devise the economic and social policies the people really need, and so that the government can proceed to implement them with the support and for the benefit of /all/ those sectors. Equitably, as it should be.

If we proceed in this manner, with true coordination with /and among/ all sectors, the government must automatically receive /the support/ of all these sectors at the same time so that it can implement such plans of action. It is assumed that if the sectors are able to arrive at a joint decision on a policy or plan, it is because they have also decided to lend their support for its enforcement.

In this way, not only will the government be able to operate with more support and security, but there will be greater confidence in all sectors, and this will attract more productive investment by the business sector, and will generate a better international image for our nation. This, in turn, will boost tourism and foreign investment, which bring with them not only foreign exchange and more jobs, but also the technology we need so badly to spur productivity and competitiveness in the industrial field (including agroindustry), especially to improve the utilization of our agricultural sector and international trade.

Let us suggest once again, then, that as a first step we proceed to that "coordination" that was touted so much during the election campaign, so that this will truly be a /"government of the people, by the people and for the people,"/ which will be able to do its job better if it allows those people to coordinate themselves, among /all/ sectors and communities. (This is possible under the equitocratic system of functional organization.) Thus, the people will be able to express themselves in an orderly way to /their/ government and tell it what they expect of /their/ government (government /of/ the people?) so that it can govern to the most equitable possible benefit of all sectors (that is, /for/ the people, /all/ the people).

But if they are going to continue like this, troubled themselves and causing trouble for the sectors, trying to charge exorbitant taxes from a few and monetizing ever more excessively to cover the rising costs of a bureaucratic government, then they will end up driving the people to desperation. Instead of a desirable and still possible coordination, what they will end up with is more disorder and outbreaks of "subversion," as well as a heavier outflow of capital and a worsening of our country's international image. Tourism will decline, unemployment will rise, more money will be spent on security or repression, etc., etc., etc.

Those who will gain greatest advantage from this tragic, ridiculous and still avoidable situation are the strategists in Moscow and their puppets here, who will then come to "help," as in Cuba and Nicaragua and so many other countries thus conquered by them, and impose their will.

Then the political and sectoral leaders of our country will no longer be able to coordinate among themselves democratically in order to improve living conditions in our country equitably; rather, they will come to "coordinate" us in a totalitarian way, whether we like it or not, and all will have to pay homage to Moscow's local puppets, or go to another country.

There is still time to reconsider. Let us undertake a true coordination, first among the sectors, and then with the government. And meanwhile, those absurd decree-laws that will only worsen the situation should be repealed.

Business Council on Government Policy

Guatemala City PRENSA LIBRE in Spanish 18 Jan 86 p 4

[Text] The new organization called the Business Council began its activities yesterday with a panel on "Economic Prospects for Guatemala in 1986." The panel was led in one of the rooms at the Hotel El Dorado by Dr Manuel Ayau, a professional and renowned business leader.

The panel was the first item on the agenda of the Leaders in Action program, also included journalists Mario Antonio Sandoval Samayoa of PRENSA LIBRE, who is the current president of the Association of Guatemalan Journalists (APG); Mauricio Barrera of EL GRAFICO; Gonzalo Asturias, former president of the APG; and Oscar Clemente Marroquin Godoy, of LA HORA.

Throughout his lecture, Dr Ayau outlined his points of view on various aspects of our country's economic policy:

"Although our exports were earning good prices on the international market, the possible solution to the current economic situation lies in the policy the government follows on economic matters," said Dr Ayau.

"The government should have faith in Guatemalans and refrain from participating in the formation of businesses and intervening in private initiative."

The unification of the exchange rate was another topic discussed by Dr Ayau on the panel.

"The government should realize that it is impossible for Guatemalans to continue purchasing foreign exchange at prices that vary according to the use they are going to make of the currency. The value of the national currency should be a single, set amount, regardless of what it will be spent on."

Aspects of fiscal policy were also discussed by the rector of Francisco Marroquin University. He cited the problems that could arise as a result of the current tax plan.

"The rise in taxes will have an adverse impact on state finances, because Guatemalans are in no position to pay more taxes. Therefore, they will seek new ways of evading taxation, and that will cause the budget deficit to grow."

Ayau, a renowned defender of free private initiative, expressed his well-known opinions, which are diametrically opposed to government intervention in the management of the business sector.

"The government should understand that it is impossible to try to intervene in all transactions and activities the private sector wants to undertake. To do so would be to infringe upon the liberty we all enjoy in free countries to engage in business," he concluded.

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GUATEMALA

UN HUMAN RIGHTS COMMISSION SEES 'IMPROVEMENTS'

Guatemala City PRENSA LIBRE in Spanish 30 Jan 86 p 3

[Text] "I was unable to find the alleged secret jails, but perhaps the new government can," Lord Colville, Viscount of Culross said yesterday. The special rapporteur of the UN Human Rights Commission is back in Guatemala to note the changes that have occurred since Cerezo Arevalo has taken office.

Our visitor met yesterday morning with President Cerezo at the National Palace. Upon leaving, he was questioned by reporters. He said that he would be here for a few days and would meet with leaders of various sectors to learn how the situation has changed since the inauguration of the Christian Democratic government.

"This may be the last time that I am here as a human rights investigator," he said, "because I feel that from now on you are no longer going to need my services. If I come back to Guatemala, it could be as a tourist."

The special UN rapporteur said that it was still too early to say whether there have been major changes with regard to human rights.

"It is encouraging to see the start of a democratic process, and we should applaud the people's cooperation in guiding this political move in Guatemala.

"We can now see more broad-mindedness in all sectors; I see that there is more enthusiasm. We hope that the people can now breathe freely in an atmosphere of peace and security."

With regard to the secret jails that exist in Guatemala according to the Mutual Support Group, Lord Colville stated that he had not been able to find them but that perhaps President Cerezo could.

He was also asked whether the international community would approve of Guatemala following the example of Argentina, which tried and sentenced several military officers charged with human rights violations.

"We cannot come here and tell the government what it ought to do. As far as turning military officers over to the courts is concerned, this is something that the people and government have to decide, not the international community."

Lord Colville will also travel to the interior of Guatemala and meet with political leaders, as he has done previously, he intimated to newsmen.

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GUATEMALA

BRIEFS

ACV REJECTS MILITARY AID--"The $10 million in military aid that the United States is offering Guatemala is not appropriate at this point, inasmuch as we are trying in every way to build peace, and making such weaponry available to the military further arms our people and fosters violence." This is stated in a press release from the Revolutionary Civic Alliance, which adds that the alliance is not in favor of such military aid because what the people need is tools of peace, not of war. "The Revolutionary Civic Alliance believes that $10 million in military aid, even if it is not in the form of equipment, is not appropriate at this point. However, we would look favorably on spending that $10 million on public health, education, and agriculture or to help repair and/or build roads and housing for our needy people," the press release concludes. [Text] [Guatemala City PRENSA LIBRE in Spanish 31 Jan 86 p 16] 8743

CSO: 3248/259

CHIHUAHUA CANDIDATE BAEZA DENIES TIES WITH DRUG TRADE

Mexico City EXCELSIOR in Spanish 23 Dec 85 pp 1-A, 21-A, 35-A

[Excerpts] Ciudad Juarez, Chihuahua, 22 December--"We have a new style of engaging in politics; I shall not attack business owners in my campaign, because I have not come to divide, I want to be a bridge for unity. I think (Fernando Baeza Melendez said) that all of us Mexicans have a place in the national design. In Chihuahua, the problem is preeminently political; therefore, I shall not challenge or become involved in lies. We shall not succumb to despicable acts, because verbal violence breeds physical violence."

Before the press, upon his arrival in this town, where the low-income sector will nominate him tomorrow as its candidate for governor, Baeza Melendez criticized the half-truths stated by the opposition to the people, because that type of lying "is the most cruel and immoral." He pledged to tell the truth and also to admit mistakes.

In the small office of the PRI [Institutional Revolutionary Party] head in this town, he denied any connection that would link him with the drug traffic, and asked Mexicans "not to scourge us" because this activity exists in a country with over 3,000 kilometers of border with the nation having the largest consumption of drugs and narcotics, in which there are 20 million addicted to marijuana, over 3 million addicted to cocaine, and more than 600,000 heroin addicts.

"This generates illegal profits of $100 billion per year; this situation is pressuring the country."

Together with his wife, Magaly Gomez de Baeza, he claimed that the national foreign debt, which the opposition scores so much, does not pertain only to the public sector, but also includes the private sector's debt; and, "during my campaign we shall tell what the origin of the debt was, how the funds have been used, and what is being generated."

Also in the small office were Manuel Gurria Ordonez and Juan Jose Rodriguez Pratts, special delegates from the PRI's CEN [National Executive Committee] for the state of Chihuahua and Ciudad Juarez, respectively.

In what was his second press conference (the first one took place a few hours earlier in the town of Chihuahua), as a candidate for the top-ranking state magistracy, Baeza Melendez had to make a comment on the drug traffic, in view of the indications linking him with that activity. "This is the first and only time that I shall have to be profoundly positive. The country is undergoing very difficult times, and it will not be slander nor injustice that will extricate it from its problems."

He explained that, as first deputy attorney general of the nation, "my area of responsibility was the juridical one; I had nothing to do with drugs."

He claimed that Mexico has expended a very sizable effort to eradicate the sources of production, cultivation, transportation,and possession of drugs and psychotropic substances, but blamed the proximity to the United States as the main cause of the existence of the drug traffic here.

He gave a reminder that, when the Office of the Attorney General learned of the large volumes of marijuana existing in Chihuahua, it carried out a mobilization that allowed for the largest drug seizure in this country; but, "so that we shall not tear our garments," he noted that this marijuana had a consignee. "It crossed the international bridges, it traveled along another country's highways, it was distributed in a very extensive system; and yet we have not heard that there have been any major arrests."

However, Baeza Melendez hastened to note that he did not mean that there was no concern in the United States over combating the drug traffic. "They have an intention of putting an end to this phenomenon, but it is no easy task."

He also described as unfounded the statement that he is implicated in the Chihuahua Group or in the state's large private economic interests.

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MEXICO

FORMER VITRO HEAD REJECTS VIOLENCE, ENDORSES PEACEFUL MEANS

Mexico City EXCELSIOR in Spanish 11 Jan 86 p 17-A

[Text] Puebla, Pue., 10 January--At a press conference tonight, Rogelio Sada Zambrano, former director of the Vitro group, declared that any type of violence is reprehensible, the country must seek the path of peace and order, and that will be achieved only if democracy is valued as a fundamental element.

Before the holding of a forum in this capital, organized by COPARMEX [Employers Confederation of the Mexican Republic], which is the immediate precedent for the establishment of a Regional Federation of Employers Unions, Sada Zambrano claimed that the fact that democracy is not respected and there are situations such as the one in San Luis Potosi and other states in the northern part of the country is due to an apathy that is present in our history, which the citizens must overcome if they want a better nation.

He asserted that, to achieve full development and authentic respect for democracy, it will be necessary to root out all the elements which foster violence, now systematically in certain states, after electoral contests have taken place, as a result of the lack of respect for democracy.

He subsequently noted that private enterprise would act badly by fostering some political party in particular, in any way. That, he claimed, is the exclusive job of the citizens, whether they be business owners, architects, or peasants, or are engaged in any other activity.

Regarding his personal status, involving his departure from the Vitro group, he remarked that, 2 months after the event, he is more calm, and is experiencing the painful process of giving up what he devoted his life to, but with the satisfaction that now "the glass vise" has been smashed, and anyone in that group may exercise his right to free speech.

He expressed the view that acts of intimidation do not suit the present government because, he claimed, there are other channels and paths for solving the problems, tensions or differences that might exist at a particular time. He said that he cannot judge nor accuse anyone in particular concerning his situation, because he is unaware of the origin of that position.

As for his future, he said that he had not decided on it, although he noted that there are many "avenues that are showing up in his surroundings," but that there would not be any haste.

He added that business owners are unwilling to have the same fate as the clergy, in the sense that the time has come to curtail their freedoms and consider them as second-class citizens.

In conclusion, he claimed that the repression in our country to date has been of the verbal type: "I don't know of any concrete instance wherein this intimidation or attempted reduction of the freedoms of business owners has been expressed in any other way."

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SAN LUIS POTOSI PRI OFFICIAL EXPLAINS RESIGNATION

Mexico City PROCESO in Spanish No 480, 13 Jan 86 pp 12, 14-18

[Excerpts from the interview reported below were reprinted in the National Action Party national organ, Mexico City LA NACION, 1 Feb 86, pp 28-29. For related reports, see FBIS LATIN AMERICA DAILY REPORT of 7 Jan 86, p M5, and THE WALL STREET JOURNAL of 20 Feb 86, pp 1, 18; article by Elias Chavez]

[Text] San Luis Potosi--"Values such as discipline and loyalty mean behaving like a lackey or a slave in PRI. Being disciplined or loyal means putting up with anything that your superior wants to do to you. And one of the keys to the system is getting our faces dirtied so that we do not look clean afterwards."

Julio Hernandez Lopez has come clean, resigning as secretary general of PRI in San Luis Potosi, protesting the "cowardly attacks" on his fellow residents of the state on 1 January, and holding Governor Florencio Salazar Martinez responsible for the fighting. He charges:

"There is no party awareness or ideological convictions in PRI. The party's structures are fictitious, and most of its activists have just personal interests; they're looking for cushy jobs, privileges, posts."

Interviewed by PROCESO, Hernandez Lopez tells how he got to be a PRI secretary general, explains the reasons for his resignation and analyzes the political problems of San Luis Potosi, where the governor is not in political control, he asserts. He recalls:

"On 11 January 1985, when PRI unveiled Florencio Salazar as its candidate for governor of San Luis Potosi, he invited me to work with him. He told me that the biggest task of his administration was going to be the democratization of the party and that he wanted wideranging 'direct consultation with the rank and file' (a system of candidate selection that in another day and age was called 'transparent democracy'). I believed in this, accepted and got consultations under way in the state's 56 municipalities. There was success in many, but in others the big obstacle was the caciques and the underhandedness of the PRI people themselves. I often talked over these problems with the governor and warned him of the mistakes that were being made. But he paid no attention, and it all wound up with the attacks on the people on 1 January.

"Three hours after the attacks I resigned to join those who were vigorously denouncing the massacre and demanding that its perpetrators and masterminds be punished. Even though I suscribe to political ideas that are at odds with the ones that were expressed that day in the main square, I feel that political violence is desperate and cowardly and I cannot tolerate it."

According to Hernandez Lopez, the governor of San Luis Potosi "has withdrawn from and lost interest in politics." He voices this complaint:

"PRI could have and should have been an active and youthful party of the people; this is what I thought I was there for. The fact is, though, that it does not use its political resources. PRI's structure is false, fictitious, and there are very few real activists. Most of the people in PRI are there only out of personal interest. This is why I say that there is no real party awareness or ideological convictions. Instead of allowing internal democracy, the party operates with a distorted outlook and engages in corrupt political practices."

Having lived in the bowels of the monster, Hernandez Lopez asserts that PRI must "learn to admit and accept its defeats" in order to banish its "corrupt practices."

Otherwise, he cautions, "we won't have the nerve to go up and speak to people. No one believes us. They all listen to us with a mocking smile on their lips. You want to convince people, as I did, that there is a different, a democratic approach now, but you wind up thinking that they're right: PRI does not evolve; it always remains the same."

He also issues this warning: "Now that Guillermo Pizzuto has been nominated (with the backing of PAN [National Action Party] and the Civic Front), the neo-PAN stage has begun in San Luis Potosi. Salvador Nava's biggest political deviation is handing over his political legacy to someone who represents not the aspirations of the people of San Luis Potosi but the establishment of the neo-PAN. The neo-PAN has even moved into the Huasteca [the area roughly described by the states of Veracruz and San Luis Potosi], which used to be a predominantly PRI area."

"I Warned Him"

Hernandez Lopez acknowledges, however: "The emergence of the neo-PAN is PRI's fault, because of its political foul play. What happened specifically in the state capital is the result of a lengthy series of mistakes."

Among these mistakes, the former PRI secretary general mentions:

"PRI's candidate, Guillermo Media de los Santos, did not conduct a grassroots campaign. The feeling was that a has-been could win the election easily by himself. San Luis Potosi, like the entire country, has changed, and the traditional PRI campaigns no longer work. Pizzuto, on the other hand, walked the streets, the colonias [urban communities], visited homes, used the mass media intelligently, and we did not. We got bogged down in internal squabbling. For want of a party mystique, many PRI members, who are interested only in securing a job instead of working for the party, go around flattering and lying to the big man, the one who makes the decisions. So, the crackdown on 1 January did not come from nowhere; it was the culmination **of a long series of mistakes."**

When asked whether he, as secretary general of PRI, warned Florencio Salazar about these mistakes, Hernandez Lopez replied:

"I constantly warned him, but it apparently backfired. No matter how often I talked to him about it, he never made a decision; no action was ever taken. It seems as if the more you criticize, the farther away you drift from the circle close to the big man."

In addition to Hernandez Lopez, the following officials resigned on the governor to protest the attack on 1 January: Juan Ramiro Robledo Ruiz, the interior undersecretary general; Horacio Sanchez Unzueta, the planning and budget secretary; Juan Hernandez de los Santos, the secretary of industrial promotion, and Rafael Tayabas Cedillo, the assistant director of the Judicial Police. The former secretary general of PRI was the only one of the resigning officials who agreed to be interviewed. "I'm not talking, because I'm a PRI man," "I'm disciplined," "I'm loyal," they explained. Hernandez Lopez comments:

"There are values in politics called discipline and loyalty, but in PRI they mean behaving like a lackey or a slave. Being disciplined means putting up with anything that your superior wants to do to you. And one of the keys to the system is getting us dirty so that we do not look clean afterwards. There **are those who have reproached me for resigning as the party's secretary general, but I think that one must be loyal in criticism and, ultimately, loyal to oneself."**

In the absence of an interview, PROCESO obtained a copy of Horacio Sanchez Unzueta's letter of resignation. Like Hernandez Lopez, the now former planning and budget secretary explains in his letter to the governor that he joined Florencio Salazar's election campaign and later his government team "because I thought that the time for a democratic renewal in San Luis Potosi had come, a proposal on which you gave your firmest word." He also asserts that "society can be preserved and changed when the government looks out for its well-being, guarantees that its aspirations are met, above all guarantees lives, and respects its political decisions."

Observing protocol, Horacio Sanchez does not say in his letter of resignation that Florencio Salazar has failed to keep his promise of a "democratic renewal" nor that he has ceased to respect the "political decisions" of the people of San Luis Potosi or to guarantee their lives. He adds only:

"In these trying times for our state, my commitment and, I believe, the commitment of many other young people whose ambition is to legitimately serve the citizenry, is to the construction of a difficult future, not to the irresponsibilities and vices of the past."

Vices and Irresponsibilities

The man who does talk about those irresponsibilities and vices is Hernandez Lopez. He asserts that the government does not have political control over any of the main municipalities in the state and cites examples:

In Ciudad Valles, notary public Jose Guadalupe Rojas, alias "Rojitas" and "a very close friend of Florencio," was named president of the municipal PRI to launch his candidacy for mayor. But a former president of CANACINTRA [National Chamber of the Manufacturing Industry], Eligio Quintanilla, and other hopefuls with real political strength, like Miguel Romero Ruiz Esparza, a teacher backed by the SNTE [National Trade Union of Education Workers], began running against him. Finally, against the governor's will, Miguel Romero won the nomination, but "Rojitas" protested and turned against his own party, of which he was president just months before. He formed an "independent PRI" to back his candidacy and, his friendship with the governor as a qualification, launched a campaign. He lost once again, and Miguel Romero became mayor. Far from owing the governor any favors, Romero knows that the governor opposed him and tried to put his friend "Rojitas" in. And he has it in for him.

In Matehuela, a traditional CTM [Confederation of Mexican Workers] stronghold, the likable Pascual Gallegos Montalvo, a political timeserver nicknamed "The Champion," was victorious. He faced off with the local PRI big shots. In all of the state's municipalities, PRI imposed "unity slates" on all its mayoral candidates, slates that included councilmen from various political groups. "The Champion" rebelled, however. He rejected the slate that PRI forced on him, accused the party's general delegate in the state, Molina Ruibal, of being a fascist, and urged the people "to struggle against impositions by PRI," his own party.

There were eight PRI mayoral hopefuls in Rio Verde. The strongest was Pedro Luis Naif Chessa_i [second to last letter illegible], the state delegate of the ISSTE [Institute of Social Security and Services for Government Workers], the director of the CEPES [Center for Political, Economic and Social Studies], and "the governor's man." But the winner was Irene Martinez, an announcer on and the owner of the two radio stations in the town. And in spite of warnings from the state government, Mrs Martinez has already appointed her husband municipal government secretary and her brother director of public works. "I will do whatever I want, because I don't owe the mayor's office to the government," she says.

In Tamazunchale, Ponciano Zumaya was elected mayor. He is a teacher, a Carlos Jonguitud supporter, a member of the "vanguard" and was alternate secretary general of section 26 of the SNTE, a fiefdom of former Governor Jonguitud's.

The state Congress, in which PRI holds a majority, is itself divided into two factions: the Jonguitud and the Florencio factions, which at times means that votes are decided by opposition lawmakers.

As soon as Florencio Salazar declared his candidacy, then Governor Carlos Jonguitud began undercutting him; he allowed him only four secretary posts on the PRI State Steering Committee, which until the close of his term and during the entire campaign was chaired by one of his confidants: Helios Barragan. Hernandez Lopez acknowledges:

"For 8 1/2 months I was fighting for two PRI's: Jonguitud's and Florencio's, with Helios Barragan as party leader the whole time. And when the time came to nominate a candidate for mayor of the state capital, Helios went after it. He was the one who had all the power and he would have easily defeated Medina de los Santos if the national PRI, through Maximiliano Silerio Esparza, had not taken him out of the running and sent him to Yucutan as general delegate."

When the governor was asked what he thought of the PRI secretary general's resignation, he said that he did not attach much importance to it, adding that Hernandez Lopez had approached him and asked for a job and that he had helped him out.

In turn, Hernandez Lopez remarked: "It would be very odd, if someone approached (Florencio) and asked him for a job, for him to put any old person in charge of PRI just like that."

8743
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CARO QUINTERO PRISON INCIDENT HIGHLIGHTS INEQUITIES, ABUSES

Jewels, Goods, Money Seized

Mexico City PROCESO in Spanish No 481 20 Jan 86 pp 26-28

[Text] On Sunday, 12 January, the prison awoke, surrounded by scores of guards. For the umpteenth time, the sewer was uncovered: In a cell, that of Rafael Caro Quintero, the prison authorities, after a forceful search, "seized" electrical appliances, jewels, and money amounting to over 300 million pesos.

The drug trafficker's arrival in the Northern Prison had not only caused the underhanded sinecures fostered by the prison system to become excessive, but also made the internal living in the prison more expensive.

The authorities have washed their hands. They blame the guards for the corruption entrenched in the jails; while the rates of alcoholism and drug addiction are on the rise.

According to an account from the inmates, the searches have no date nor time. They occur at the pleasure of the supervisor on duty; after a dispute, when indications of an escape are presumed or occur, or at a mere whim.

On the night of Saturday, 11 January, the instructions from the prison administration were precise: search Caro Quintero's cell. Three guards were assigned for this purpose. It was shortly after 2200 hours. They accomplished nothing. The drug trafficker violently prevented what to the authorities was only a routine inspection.

During the early hours of Sunday, the operation was repeated. Countless guards, heavily armed, took dormitories 10 and 10A, both isolated from the rest of the jail, by storm.

Within a few minutes, Caro Quintero was forcefully quelled. The groundrules had changed, at least for the drug trafficker and his associates.

From a completely outfitted cell (small stove, curtains, rugs, electrical appliances, sports equipment, and a large amount of money), he was segregated to a maximum security area. While the authorities reported the fight and the injuries caused to three guards by the drug trafficker, the drug trafficker's defense charged the theft of the belongings of their client, who claimed to be near death.

Two days later, to silence the speculation, the prison authorities allowed the press to visit the prison and learn the true condition of the drug trafficker's health. Caro Quintero showed no visible traces of injuries that could have jeopardized his life.

Caro Quintero was lying on a bed, under a blanket, in the cell, inside a dormitory isolated from the other inmates. He said that he was tired of so many injustices. "I don't know what Mr Sanchez Galindo, who often sends me special agents to confiscate my belongings, wants. They rob me, they take me out to INTERPOL whenever they want, and they take away my possessions. I can't stand the situation any longer."

In an interview with reporters, the new prison director, Rafael Vazquez Hernandez, said that the items confiscated from Caro Quintero's cells had been placed at the disposal of the Office of the Attorney General of the Republic.

Vazquez Hernandez claimed that, since he took office, Caro Quintero had tried to impose his own terms, to the extent that, to prevent the routine inspection of his cell, he locked himself inside with a chain and a padlock. And he noted that privileges are not allowed inside the prison, and that Caro Quintero "had taken things to the point of absurdity."

The director of the Eastern Prison admitted that there have been cases of corruption among the guard personnel, who have allowed items and clothing that are not permitted to enter.

As a first disciplinary measure, Caro Quintero was segregated. His penalty was to be 30 days, without a right to visitors, with the exception of his attorneys, who immediately obtained an "amparo" [a writ, possessing some elements of an injunction and some of habeas corpus] in relief. Two days later, the penalty was lifted from him.

In statements to the press, the director of prisons, Antonio Sanchez Galindo, admitted that, despite the modernization of the prison systems, there is still serious corruption among the guards, who are easily convinced by the inmates to allow access to drugs and liquor.

He also remarked that, owing to this situation, there are many privileged inmates in the jails who, because of their considerable economic power, bribe the guards more easily. Nevertheless, he admitted that some inmates have been permitted comforts, provided they do not violate the official regulations in this regard.

As for Caro Quintero's punishment, he said that it was imposed because "there cannot be a state within another sate," and noted that this was the third time that liquor and jewels were found in the drug trafficker's cell.

For the Northern Prison population, Caro Quintero's arrival meant that the internal living in the prison became more expensive. Like the authorities, some prisoners agree in citing the drug trafficker's presumptuousness. Now, everything costs more.

The common ordinary visitor is not allowed to bring in anything. In the search booths, he must leave his money, jewelry, cigarettes, or any other item or belonging that they consider unacceptable.

The situation is in contrast when the visitor is among those considered privileged. Outside the prison, groups of children offer their services to carry the heavy items. The youngsters go inside the jail without any great trouble. Among the inmates, it is known that Caro Quintero's visitors distributed money in large amounts. It is said that the tips to the guards were from 15,000 to 20,000 pesos each. The "tips" were larger when a party was involved. At least two inmates recall that, during the final days of 1985, the drug trafficker brought in musicians.

One of the guards told the reporter that the prison authorities were not dissociated from this situation. "Everyone enters here for the dancing. We are not the only ones to blame."

So now, everything costs twice as much. The prison is overpopulated. Each inmate spends at least 100 pesos a day on the roll call. Each visit costs the same amount per person. Liquor is priced between 20,000 and 25,000 pesos per bottle. The cost of telephone calls outside fluctuates depending on the time and the day. It is claimed that Caro Quintero has paid up to a million pesos per call during the nighttime hours.

Just in case, there is a change: chores. At another time, they paid as much as 50,000-150,000 pesos not to perform them. Now, they are considered a type of work to be accounted for to reduce the penalty, according to the Law on Minimum Standards.

With the new administration, the measure has apparently brought results. There are many inmates who enlist to do the work which they had previously paid not to do.

Nevertheless, the corruption is there. Now, it also costs to appear on the work detail lists.

According to Antonio Sanchez Galindo, the corruption in prisons "cannot be eradicated" overnight. "It is something that has been present for many years, and the battle is a daily one."

Prison Director's Corruption Alleged

Monterrey EL NORTE in Spanish 14 Jan 86 p 1-A

[Excerpts] Mexico City, 13 January--Tomorrow, Rafael Caro Quintero's legal defense will undertake to file a formal complaint for assault, injuries, and the theft of 300 million pesos, against the authorities of the Northern Prison, according to a statement made today by the defense attorney, Jose Rojo Coronado.

Both the defender and those in custody blame Rafael Vazquea Hernandez, new director of the prison, directly for the incident, claiming that he demands money from the inmates.

They also blamed Jesus Sanchez Galindo, general director of prisons, for the "policy of terror" established in the rehabilitation centers.

The defense said that they would demand that the liberties of those being held be respected, and that the pertinent authorities prevent the presumptuous conduct of the new director, Rafael Vazquez Hernandez.

In an official report, the General Directorate of Prisons said that it would not tolerate Caro Quintero's "usual presumptuousness," with which he is accustomed to behave in the prison, for which reason it was decided "to segregate him."

Access to the Northern Prison was banned today by the director of that institution for the news media.

Caro Quintero's Quarters Described

Monterrey EL NORTE in Spanish 14 Jan 86 p 1-A

[Illustration entitled "X-Ray of Caro Quintero's 'Room 10'"]

[Text] 1. Access to "Room 10" with a special guard force of two guards. The entire building, including 20 cells, a common area, grassy areas, and courts, is occupied only by Rafael Caro Quintero and five of his associates.

2. Grassy areas exclusively for those in custody and their families, with four lawn tables and chairs.

3. Basketball court.

4. Area with fruit trees and grill. There are peach trees, avocado trees, and ornamental plants there.

5. Access to the building from the cells and the recreational areas.

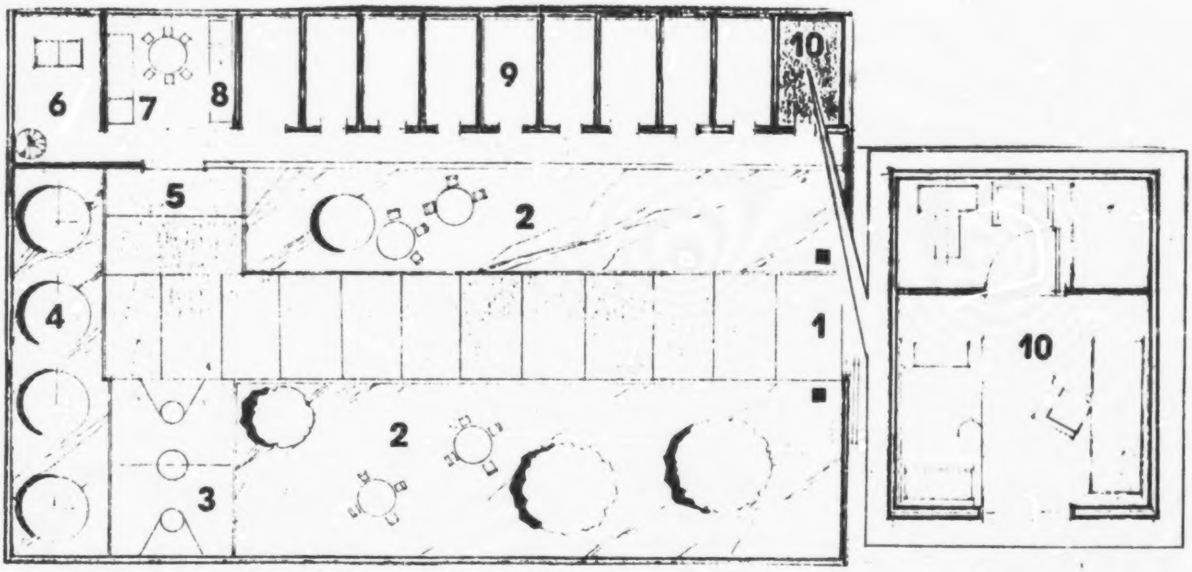
6. Air-conditioned open area with a gym. It has weights, a ping-pong table, and a platform for physical exercise.

7. Kitchen equipped with a two-door refrigerator, a sink, four electric burners, four butane gas burners, a blender, a table, with six chairs, and a small cupboard.

8. A larger cupboard in which boxes of provisions and general supplies are kept.

9. Area of cells distributed on each floor, with only the lower floor occupied by inmates. The second floor is not used.

10. Cell occupied by Rafael Caro Quintero, carpeted, with curtains, a double bed, a combination desk and dressing table, color television, a video cassette, and plumbing services, including a shower.



Prison Official Resigns

Mexico City EXCELSIOR in Spanish 23 Jan 86 p 4-A

[Text] The chief of vigilance and security at the Northern Preventive Prison (where the drug trafficker Rafael Caro Quintero is incarcerated), David Rodriguez Tejeda, has been dismissed from his post and Pedro Gil Gongora has been appointed to replace him.

According to the General Directorate of Prisons, David Rodriguez submitted his irrevocable resignation, apparently because of disagreements with his superiors.

This shift at the Northern Prison, considered a key one, comes a week after Rafael Caro Quintero attacked three guards in his dormitory, following a search made of his cell.

David Rodriguez Tejeda, former chief of vigilance and security at the prison center where Caro Quintero is located, declined to make any comment regarding his resignation.

Meanwhile, Pedro Gil Gongora, the new head of security, refused to answer the telephone, and his secretary claimed that "he is busy inside."

With the departure of the security chief, it is thought that at least a dozen guards will resign from their positions. No information about any other resignations was provided for the present.

A week ago, the general director of prisons, Antonio Sanchez Galindo, ordered an investigation among the vigilance personnel, after the problems with Caro Quintero (the confrontation with the guards) and what was seized in his cell.

2909
CSO: 3248/220

ECONOMIC SECTOR FIGURES TAKE STANDS ON DEBT PAYMENTS

CANACINTRA Opposes More Spending Cuts

Mexico City EXCELSIOR in Spanish 30 Jan 86 pp 1-A, 20-A

[Article by Edith Jimenez]

[Excerpt] The people cannot be squeezed any tighter; the ones who should be squeezed are the creditors. The National Chamber of the Manufacturing Industry (CANACINTRA) does not support any further cuts in government spending, because it has been tightened to undreamed of levels, and industry is in very poor shape. If the trend continues, unemployment will be upon us, which must be avoided.

The president of the chamber, Carlos Mireles, asserted that the country would not tolerate more of the severe restrictions that are jolting every last Mexican.

We maintain that the country ought to set aside a percentage of export earnings to pay off its overseas debts.

Once more we are saying that if our creditors want us to pay them, they should buy our exports. The national budget must not be tightened further. If they want to get paid back, they should give us the work that will enable us to generate the funds to do so.

Mireles said over and over again at a press conference: "We must not keep on depressing the domestic economy to pay off our debts when our creditors are unable to acknowledge our excellent record as international borrowers. We've never failed to pay back a single peso. They ought to bear this in mind and stop pressuring us the way they have been."

Abedrop: Imports Before Debt Payments

Mexico City EXCELSIOR in Spanish 3 Feb 86 pp 1-A, 9-A

[Article by EXCELSIOR correspondent Francisco Garfias]

[Text] Davos, Switzerland, 2 Feb--Carlos Abedrop, a former banker and Mexican businessman, today came out in favor of a foreign debt moratorium because, he said, "interest payments cannot come before the people's food needs, nor can the march of industry be halted."

During an interview with EXCELSIOR, Abedrop bemoaned the "timid" stand of the Mexican Government, which out of "fear" of domestic criticism is not opening up the country completely to foreign investment.

Explaining his stand on the foreign debt, the businessman said: "There can be no question that faced with the choice of using the few dollars we have left either to pay for necessary imports or to make interest payments, we must pay for imports; otherwise, we are shutting down industry."

"What Mexico has to do is very clear to me," he added. "First, buy the foodstuffs that we need and that there are shortages of, and second, buy the raw materials we need so that industry does not shut down. Then we make the interest payments."

He indicated, however, that "if we don't have a single dollar left to pay off the interest and if this is called a moratorium, then we have to declare a moratorium. Interest payments cannot come before the people's food needs, nor can the march of industry be halted," because, he went on to say, "creditors would be the first to get hurt if the country shuts down; then they wouldn't get paid anything."

Along with another 600 businessmen and political leaders from all over the globe, Abedrop is attending the symposium organized by the nongovernmental foundation WEC [World Economic Forum] at this isolated Swiss town 3 hours from Zurich.

The organizers gave the participants off Sunday so that they could participate in their favorite sports, like skiing, and the former president of the Mexican Bankers Association, agreed to a lengthy talk with EXCELSIOR in the hotel cafeteria.

The man who is now a partner in the recently privatized National Hotel Association leaned towards the glass table and bemoaned the "timidity" of Commerce Secretary Hector Hernandez, who in his speech at the symposium underscored the "restrictions" on foreign investment in Mexico:

"I did not find his speech very felicitous, as he established many restrictions. Our officials are somewhat timid in making statements about policies in Mexico. An inconsistency arises here: we are talking about improving the Mexican economy, to which end we need technology and capital, which generally come together," he stated.

But, this reporter asked, if we accept indiscriminate foreign investment, how do we get rid of it later? Furthermore, it could become so important that domestic decisions would have to be submitted to foreign investors for their consideration.

Foreign Investment and Sovereignty

"Look," Abedrop countered, "the idea that foreign investment compromises national sovereignty is a political argument that was destroyed 50 years ago by Lazaro Cardenas, because in nationalizing oil he defied the seven most powerful companies in the world and nothing happened."

"Nothing happened," Abedrop went on to say, "when deceased Egyptian leader Gamal Abdel Nasser nationalized the Suez Canal because he felt that the earnings from it were needed for his country's development. There were threats of an invasion, warships, but nothing happened," he recalled.

He then added: "That was 20, 30 and 40 years ago, and there is no doubt that the progress that has been made in the rule of law suggests that the idea that foreign investment compromises sovereignty is ridiculous."

What does compromise sovereignty, in Abedrop's opinion, is the severe crisis besetting the country, the fact that it is unable to pay even the interest on its debt. "That does have us flat on our backs right now and greatly restricts our government's decision-making capacity," he asserted.

In discussing the social situation in the country, Abedrop felt that "the problem of unmet social demands will not be an immediate consequence of the crisis that the drop in oil prices has prompted. There is, of course, an unavoidable relationship between the external and internal condition of the Mexican economy."

"The spending cuts that the domestic situation demands will have to be maintained. During the boom times, during the spree we spent more than 10 times what we had and we can't keep on doing that indefinitely."

Therefore, he went on to say, "the belt-tightening is a necessity and, to an extent, a necessity that has nothing to do with the debt problem. Additional wages cannot be paid out, and if you do, you're being inefficient. You're giving the family, which is the people of Mexico, more than you have, which you cannot keep on doing. The demands among certain labor sectors have reached very high levels, and here is where the belt-tightening must occur."

But do you think that the people can withstand another loss of buying power? What are the people going to do?

"Nothing. People who are employed earn wages and meet their minimum needs. The problem is the overwhelming majority of the jobless."

But the government spending cutbacks that you regard as indispensable are going to boost unemployment.

"Spending unquestionably has to be redirected. There are probably a half million bureaucrats who could be dismissed. This is a problem that we have to resolve. We have to relocate those half million bureaucrats in productive jobs."

How?

"This is the challenge that we have to face up to. But we cannot continue to burden the economy of all Mexicans for fear that those half million bureaucrats might suffer."

In conclusion, the industrialist also talked about the controversy over confidence. He replied thus to a question about whether or not businessmen are confident:

"I have complete confidence in the country. I'm sure that it will come out OK. I have confidence in President De la Madrid. I think he's the best president we could have under the current circumstances.

"The bad thing," he continued, "is that there are many people whose confidence depends on whether some official said something and whether this means that the government is going to run more companies, whether the dollar dropped, whether...Confidence should not be based on things like that, I think."

As a banker, Abedrop came out against exchange controls to prevent capital flight, "the amount of which has been exaggerated."

"If people no longer have secure access to their savings, this is more costly than capital flight. Savers always find a way to remove their money from the country's economy, and this is what the people who defend exchange controls fail to understand," he stated.

Legorreta Differs With Abedrop

Mexico City EXCELSIOR in Spanish 6 Feb 86 p 12-A

[Article by EXCELSIOR correspondent Francisco Garfias]

[Text] Davos, Switzerland, 5 Feb--A moratorium is inappropriate, asserted the president of the Consejo de Operadora de Bolsa, S.A. de Mexico, Eduardo Legorreta, after cautioning that it would risk a U.S. seizure of Mexican goods.

The Mexican businessman admitted, however, that the drop in oil prices reduces the country's ability to service its foreign debt under the current terms.

Interviewed briefly during a reception that Swiss industrialists offered last night for the Mexican delegation attending the symposium on the world economy in Davos, the president of the country's largest brokerage firm indicated that in view of the troublesome outlook "Mexico must negotiate further with its creditors."

Legorreta added that Mexico has "demonstrated its responsible attitude ever since it began having problems in 1982, and it should continue to do so. Obviously, though, the negotiations that it is currently conducting with its creditor banks ought to be much more intensive."

"In what way?" he asked. "I think that Mexico should try to have some of the interest forgiven or secure very long payback periods, but not opt for a unilateral suspension of payments."

Difference of Opinion

When asked about the statements by the former president of the Association of Bankers, Carlos Abedrop, to the effect that Mexico ought to give priority to foodstuffs and raw materials for its industries over interest payments, Legorreta said:

"Carlos and I are very good friends, but that doesn't mean that we always agree. There can be no talk about not paying; a moratorium is not in our interest. There are very serious legal problems."

He pointed to this example: "Every time a Mexican product would be shipped out, the Americans would have a right to seize it."

He gave an even more graphic example: "It's as if you or I owed money to a bank. If you don't pay up, the bank takes away your home."

In Legorreta's opinion, Western bankers are "willing" to help Mexico solve its problems (yesterday the Consultation Committee of the creditor banks denied the new loans that the country needs to cope with the drop in oil prices), and he was optimistic about reaching an agreement.

When this reporter reminded him of the stand that the president of the Corporation of Swiss Banks, Franz Luthof, clearly took in saying that among all the debtor nations only the Ivory Coast has put its domestic economic house in order and is thus the only country that deserves new loans, Legorreta replied:

"Mexico's economic realignment program failed in 1985. It took a vacation. The inflation rate did not drop to appropriate levels; there was no cut in government spending. This is obviously a problem that we have to solve to facilitate our negotiations with the banks."

And he withdrew to his table.

Abedrop Urges Negotiation of Moratorium

Mexico City EXCELSIOR in Spanish 21 Feb 86 pp 1-A, 12-A

[Article by Juan Gerardo Reyes]

[Excerpt] Arguing that a moratorium does not mean default, just how and when to pay back, Carlos Abedrop Davila, the former president of the Mexican Association of Bankers, remarked that our country, with its debt of $100 billion, ought to negotiate a moratorium that does not mean eliminating payments, so that it can keep up a suitable pace of new investment and expand its economy.

Abedrop Davila acknowledged that "1986 will be a tough and difficult year, but I am certain that Mexico's future and progress are not in jeopardy."

The man who was also president of the Banco del Atlantico described the Baker plan as inadequate, regarding it, however, as a first step and, without doubt, a valid way to reverse the trend of financial flows in the direction of the developing countries, which lack the funds to provide for sound economic growth.

Carlos Abedrop made the above remarks during a conference on the Current Financial Crisis at the School of Mexican Public Accountants. He also stated that this is the most severe financial crisis in modern times, adding that in analyzing the problem we have to look back 15 or 20 years to situations that apparently have nothing to do with today's problems.

In his opinion, an answer to the crisis is not a leftwing or rightwing issue; it is an issue for experts and specialists in the field, regardless of the ideologies they may profess.

He said that not only will we have to import the equipment and raw materials we need to keep our industries running, but we will also have to undertake expansions and develop new projects, to which end fresh investment is needed; if we do not make such investments, we will stagnate, which in economics means falling behind.

Negotiations Without Political Pressure

He reiterated that a moratorium is an issue that debtors and creditors must look at constructively and frankly, in defense of their own interests. In order to come up with a successful solution to the problem, the parties to the negotiations must not be under political pressure. This is a job for experienced financial experts, not political leaders, regardless of their ideology or their stand on the East-West or North-South disputes.

He asserted that the country's structural crisis is choking off our development, which is the biggest challenge for the current generation. The crisis is essentially financial, with an imminent moratorium on our debt. He indicated that the first moratorium was in August 1982, in Washington, when Mexico asked for a 90-day delay to arrange a rescheduling. The second one was in October 1985, when we had to suspend payments until we secured a loan to meet them.

He noted that politicians, who long for the breakdown of the Western economies, have given the expression "payments moratorium" a slanted meaning by confusing it with "debt repudiation," thus giving it political overtones that it should not have. A repudiation happens when a debtor disavows his debt and, therefore, refuses to pay it off.

He said that there are serious structural inadequacies choking off the expansion of the Mexican economy and, unfortunately, they are not being attacked as urgently and as comprehensively as they should be. Unless they are attacked effectively, they could lead to discouragement, which in turn could explain why Mexicans are losing confidence in the country, though he does not think that such an attitude is valid.

Such an attitude shows only one side of Mexico, Carlos Abedrop indicated, its frustrations and inabilities, which every country suffers from at one or several points in its history. But Mexico has another side, its accomplishments and its infrastructure, which make it one of the top 10 or 15 in the world, depending on what yardstick is used.

8743
CSO: 3248/221

PERU

GUARDS UNABLE TO STOP SMUGGLING OF GOODS TO ECUADOR

Lima EL COMERCIO in Spanish 21 Jan 86 p A 10

[Article by Javier Ascue Sarmiento, special correspondent]

[Text] El Salto, Tumbes, 20 Jan--Smuggling products of prime necessity has spread all along the northern border. Most of the food goes to Ecuador by boat through swamps and channels along the border.

Real organizations of smugglers operate all along the coast. They use everything from small rowboats to hydroplanes to transport countless tons of basic products.

The Republican Guard of Peru feels powerless to control the smuggling since it does not have the necessary means.

Here at the El Salto vigilance post, it only has two hydroplanes to patrol the border.

In a tour of the area, this special correspondent learned that there is massive smuggling of food to Ecuador due to the number of smugglers who operate in the swamps.

Until a few days ago, most smuggling was done through the channels of Zarumilla and Angolo using the "ant" system.

Now they have changed systems and location because of supervision in Tumbes. Starting 4 days ago, every truck carrying food must go into the Tumbes fairgrounds to be examined and supervised by officials of the Ministry of Agriculture, Ministry of Commerce, and the Prefecture.

Change Route

Because of this measure, the truck drivers have changed their route. They leave the Pan-American past Cancas and go by trails to strategic points where the many smugglers wait for them. In only a few minutes, they transport the sacks of rice and sugar and boxes of milk and oil to the boats.

In order to trick the vigilance posts of the Republican Guard of Peru, many boatmen pretend to be fishing for oysters and prawns. They cover the food with their nets and banana leaves. They travel through the narrow channels and try to use passages between the dense weeds as much as possible.

When they are discovered by the police patrols, they calmly cross to the other side of the border where they are protected by the Ecuadoran merchants. They usually transfer the merchandise when they reach small islands and coves in Ecuadoran territory.

It was learned that the Ecuadoran wholesalers are paying in dollars in order to obtain more basic products. This is another reason smuggling has increased.

7717
CSO: 3348/430

OLMOS PROJECT EQUIPMENT ABANDONED, DETERIORATING

Lima EL COMERCIO in Spanish 21 Jan 86 p A-10

[Text] Chiclayo, 20 Jan--Guillermo Arana Cuadra, the prefect of Lambayeque, confirmed that machinery and equipment from the Olmos project, valued at billions of intis, have been abandoned.

He verified this during a tour of the installations, camps, and preliminary work on that project.

Arana Cuadra said he was "amazed to find machinery in deplorable condition." More than 20 crates are scattered outside over an extensive area without any protection. It is suspected that a lot of machinery has been taken.

The prefect was informed that machinery, vehicles, and electrical appliances had been auctioned off at ridiculous prices at the beginning of the year. One vehicle was auctioned off for 1 million soles; the buyer sold it for 20 million soles the next day.

Comptroller's Intervention

The executive board of the Autonomous Authority of the Olmos Special Project is waiting for an external audit by the National Comptroller's Office in order to determine the degree of responsibility of officials of this project for the irregularities detected.

Engineer Genaro Fuentes Linares, chairman of the board and executive director of the project, asked Prefect Arana Cuadra to make the tour. They visited all the installations and the camps of La Vina, Plan Piloto, Pasabar, and Oriente in Cajamarca Department as well as the initial projects for the Olmos trans-Andean tunnel.

Internal Inventory

Engineer Fuentes Linares announced that an internal inventory for last year, mandated by law, will begin in the next few days.

He also stated that 1.5 billion soles were requested for machinery maintenance in the 1986 budget proposal since the machinery was in deplorable condition. However, this request was denied.

He also indicated that an auction of the assets is being investigated. The prices date from 1982 but remained the same in 1984. The majority went to one person which is suspicious.

He also indicated that the pilot plan preparing 1,200 hectares of land in La Vina, Jayanca district, for exploitation through technical irrigation will be carried out in 1986. This will provide the resources to finance the trans-Andean tunnel.

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CSO: 3348/430

PERU

EL COMERCIO ANALYZES REPAYMENT OF DEBT

Lima EL COMERCIO in Spanish 2 Feb 86 p F 3

[Article by Oscar Ugarteche Galarza]

[Text] The corrective measures taken by Mexico, Nigeria, Venezuela, Argentina, and, more recently, Peru concerning foreign debt payments are based on problems for the balance of payments and the productive system if high payments for the foreign debt service continue.

President Garcia announced the well-recognized limit of 10 percent for the total debt service in his speeches on 28 July--the municipality one and the one at the FAO. On a television program later, the deputy minister of economy, Gustavo Saberbein, stated that the 10 percent corresponded specifically to the public debt. This was corroborated by the 1986 national budget.

We all know that the public debt is the highest, about $9,775,000,000. Many thought that this would solve the problem of the shortage of foreign currency and even the national budget.

Few noticed the remainder of $3.8 billion owed by the private sector in the short, medium, and long term and by Central Bank.

Debt Service from August to December

Analyzing the payments made through the Central Reserve Bank in the months under the new government reveals a surprising figure. Payments on the national debt totaled about $738 million or 56.9 percent of the exports from August to December.

It can be seen that the public debt took 14.7 percent of the exports during that period; Central Bank's debt, 6.4 percent; and the private debt, 35.8 percent. This is, however, less than the record 69.2 percent that was paid in 1983.

This raises several questions that should be analyzed. Was the economic aim of the announced 10 percent merely to relieve the national budget or also to relieve the productive sector? Why hasn't the 1982 Mexican solution been proposed for the private sector?

It is in the national interest to protect the balance of payments and relieve the private sectors of production and services in order to revitalize the economy. The solution conceived by Angel Gurria, Mexican director of Public Credit, was to suspend the sale of foreign currency to the private sector for foreign debt payments if it did not refinance its debts under the same or better conditions than the public sector.

This proposal was accepted by the banks as part of the public renegotiation of the debt. Central Bank guaranteed the foreign currency to make payments under a new timetable.

To avoid problems with debtors who did not want to extend their payments for various reasons, the Bank of Mexico promised to accept foreign currency or pesos from private enterprises at the official rate of exchange if they wanted to pay their debts.

Therefore, after the refinancing by private enterprises, Central Bank was ready to receive timely payments and even enjoy the interest they could yield. At the same time, the debt renegotiators could draw up a more precise timetable for movement of foreign currency for debts and could protect the foreign reserves of the country.

Debt and IMF

Not going to the IMF for a contingent credit seems correct to us. However, the IMF is much more than that. It is a forum for multilateral debate where the applicability of its policies can be discussed. It is also an official institution that grants various unconditional supports for the balance of payments. The beginning of February will mark 6 months since the last payment to that institution. If 6 months pass without payments of any type, we could become ineligible members and soon be expelled from the institution.

This may not be important to some but it means that we are automatically expelled from the World Bank, sister or twin to the IMF, which still has a $500-million payment pending for our country. Is this in the national interest? We feel it is time to think carefully, not strangle the private sector, not threaten the balance of payments, and to be more cautious in speeches about 10 percent.

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27 MARCH 1986

Latin America Report

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INTER-AMERICAN AFFAIRS

SEAGA COMMENTS ON CARICOM MEMBERSHIP FOR HAITI

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 11

[Text] **ST. GEORGE'S, Feb. 24, Cana** — SOME West Indian nations say they would like to help Haiti return to democracy. "This is a window of opportunity that we shouldn't pass up, and we should try to do whatever we can to help the country return to democracy," Prime Minister Edward Seaga of Jamaica told Cana.

"We must keep close to them because they are part and parcel of our family. We think this is the opportunity to make sure that they get a democratic Government, and we mustn't miss the opportunity," Dominica's Eugenia Charles said.

Both Caribbean leaders spoke in St. George's where they attended a meeting with President Reagan last week.

The Jamaican leader, who claimed a pivotal role in influencing President-for-life Jean Claude Duvalier to flee Haiti in the face of a mass uprising earlier this month, said he was concerned about events in Haiti where a civilian-military junta was governing the island.

"I am concerned about the vacuum that is there. It is true that there is a ruling junta but one doesn't know to what extent the people themselves feel that this is satisfactory, so we are simply watching the situation for the time being, and studying it," he said.

Duvalier fled to France on February 7 aboard a U.S. Air Force plane and has been cooped up in a luxury lakeside hotel at Talloires in the Alps while Paris has hunted fruitlessly for another country to accept him.

The Jamaica Prime Minister said he did not see the need for the region to move fast in upgrading Haiti from observer status within the English-speaking Caricom grouping to a full-fledged member in an effort to help the island along the democratic path.

"I think we need to watch...and there would be enough time before the Caricom Heads of Government meet in July by which time we would see just what is happening in Haiti," he added.

The St. Kitts Prime Minister Dr. Kennedy Simmonds said that Caribbean leaders expressed satisfaction that the stage was set for Haiti to move into the democratic orbit and for assistance to be given to help with the development of democratic institutions on the island.

On full membership within Caricom, Dr. Simmonds said he would not make any commitments on this issue at the moment but would view seriously any application by Haiti for membership.

St. Vincent and the Grenadines Prime Minister James Mitchell voiced support for the region to help Haiti.

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GUATEMALA-LATIN AMERICAN LABOR LEADERS AFFIRM SOLIDARITY

Guatemala City PRENSA LIBRE in Spanish 18 Jan 86 p 4

[Text] Yesterday, labor union leaders of Latin America and the area resolved to intensify their activities aimed at consolidating the Guatemalan labor movement, in a democratic context resulting from the establishment of a constitutional government.

Present at a press conference held at the Guatemalan Institute of Social Education and Training (IGEFOS) were the representatives Emilio Maspero, secretary general of CLAT [Latin American Central Organization of Workers]; Dagoberto Gonzalez, from CTV [Confederation of Workers of Venezuela]; Arsimiro Herrera, from CTCR [Confederation of Workers of Costa Rica]; and Carlos Huenbes, from CTN [Central Organization of Nicaraguan Workers]; as well as the Guatemalans, Sergio Aldana, German Lopez, Julio Celso de Leon and Julio Gonzalo Garcia, from the National Federation of Workers [FENAT].

Maspero, who summarized the responses, said that one of the fundamental obligations of the Guatemalan labor movement is to forcefully and vigorously defend the democratic process beginning in Guatemala, "because there must be an aspiration for the workers to fully achieve the right to organize."

He claimed that the pacification of the society is not an endeavor for the government alone, but also for the people and the workers; and stressed the importance of remembering that the citizen's vote was on behalf of the attainment of democracy, peace, and freedom.

Dagoberto Gonzalez, secretary of the Confederation of Workers of Venezuela, for his part, remarked: "There must be a desire among the people in the labor movement to prevent the establishment, ever again, of dictatorial governments that would prevent the free development of nations, and of the workers of Guatemala in particular."

Carlos Huenbes, from the Central Organization of Nicaraguan Workers, commented that, "the police state existing in his country stands above the citizen and the worker in general, and would never allow a democracy to make its appearance."

The head of the National Federation of Workers, Sergio Aldana Galvan, noted that, at a fitting time, a proposal would be submitted to President Cerezo from the country's workers, most of whom are combined in this institution, for the purpose of making their views known regarding the social justice for which they yearn.

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INTER-AMERICAN AFFAIRS

BRIEFS

CARICOM SECRETARIAT ISSUE--St George's, 22 Feb (CANA)--St Kitts and Nevis Prime Minister, Dr Kennedy Simmonds, has reacted cautiously to suggestions from two other colleagues in the region that the Secretariat of the Caribbean Community (Caricom) should be switched from Guyana. "I think it is something that could be evaluated carefully," he told Cana, during a visit to Grenada on Thursday for the summit meeting between Caribbean leaders and US President Ronald Reagan. "I do not think it is a decision which should be taken lightly, because when you shift to some place else, and certain things don't go right, and once you start that, you could find yourself possibly duplicating the same thing again," he added. Both Prime Ministers Herbert Blaize, of Grenada, and Eugenia Charles, of Dominica, have made calls for the Caricom Secretariat to be sited elsewhere, because of transportation difficulties with Guyana, and problems the Secretariat has in recruiting or keeping expert staff, because of the republic's social and economic conditions. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 24 Feb 86 p 5] /9274

GUYANA MISSION IN ST VINCENT--A Guyanese trade mission going through the Caribbean was one of the ideas born of the Mustique meeting, (in which several Caribbean leaders met President Hoyte of Guyana). Last Friday, the mission arrived in St Vincent en route to St Kitts. It was headed by the Guyana Trade Minister Winston Murray and included Guyana's Ambassador to the Eastern Caribbean. His Excellency Rudy Insignally, the Economic Advisor to the President Ms. Darlene Harris. The mission visited some manufacturing plants here. They held talks with Mr Marcus De Freitas, St Vincent trade minister and representatives of the Chamber of Commerce, and the St Vincent Marketing Corp. The word from the St Vincent Ministry of Trade is that as a result of the meeting, there is now a much clearer understanding as to how both countries can proceed towards increasing trade between themselves. H. E. Rudy Insignally told the Vincentian that President Hoyte is definitely interested in seeing joint ventures between the private sectors of Guyana and St Vincent. (When Hoyte addressed Parliament a few days ago, he spoke of his commitment to joint ventures. [Text] [Kingston THE VINCENTIAN in English 14 Feb 86 p 1] /9274

GUYANA TEAM IN ST KITTS--The trade and economic mission headed by Guyana's Minister of Trade, Cde. Winston Murray, yesterday held discussions with the St Christopher-Nevis Minister of Trade and Industry. The team which arrived in St Christopher-Nevis on Saturday, is currently on a seven-nation tour of the Caribbean. It has already met with officials of Barbados, Trinidad and Tobago, Grenada, and St Vincent and The Grenadines. All discussions so far, have been positive. According to reports last night, yesterday's discussions centred on ways and means of expanding trade and increasing exports between the two countries. "Bottlenecks" preventing such an expansion were identified and measures to remove them were examined. Commodities to be traded were also identified. The Guyana team is scheduled to leave today for Saint Lucia, before going on to Dominica, on the last leg of the tour. Other members of the Guyana team are High Commissioner to the Eastern Caribbean, Cde Rudy Insanally, Economic Adviser to the President Cde. Darlene Harris, Group Managing-Director of both the Guyana Refrigerators Limited and IDEAL Michael Brassington, and Avinash Bhagwandin, of the Ministry of Trade. [Text] [Georgetown GUYANA CHRONICLE in English 11 Feb 86 p 1] /9274

GUYANA MISSION IN ST LUCIA--The Guyana trade team, headed by Trade Minister Winston Murray, yesterday met and held discussions with Saint Lucia's Deputy Prime Minister, George Mallet who has responsibility for Trade and Industry. The team, which flew to Castries yesterday after their visit to St Christopher-Nevis, and met with representatives of the Saint Lucia Chamber of Commerce and the Saint Lucia Manufacturers Association, were guests at a luncheon hosted by Mr Mallet, and were also guests at Saint Lucia's Carnival celebrations. In St Christopher-Nevis, Cde Murray and team member Rudy Insanally met and held discussions with Prime Minister Kennedy Simmonds and the entire team later met separately with the island's Trade Minister and Chamber of Commerce representatives. Among the matters examined in the course of the discussions in Saint Lucia yesterday were the possibilities for expanding trade and opportunities for joint ventures between the two countries. Commodities for trade between the two countries were also identified. Meanwhile, in remarks at the luncheon, Mr Mallet noted that Guyana and Saint Lucia have always enjoyed good relations and he expressed the wish for continued good relations between the two countries. Saint Lucia, he added, looked forward to an expansion of trade with Guyana. The team is scheduled to leave Castries today for Cominica, the last leg of their current seven-nation tour. [Text] [Georgetown GUYANA CHRONICLE in English 12 Feb 86 p 1] /9274

CSO: 3298/354

STATUS OF OIL EXPLORATION BIDS, CONTRACTS, PROJECTS

Northwest Basin Bidding Opens

Buenos Aires LA PRENSA in Spanish 31 Jan 86 pp 1, 4

[Text] Today, the envelopes containing the bids from the companies interested in participating in the national and international bidding for oil exploration and operations will be opened, according to an announcement made by President Raul Alfonsin in Houston, in the United States.

The tenders will be made known during a ceremony to be held at 1000 hours in the General Manuel Belgrano Room of Government Oil Deposits [YPF] main building. Authorities from the energy area and businessmen in the sector will be present.

As of yesterday, it was learned that 21 companies, 15 foreign and six native, had appeared, picking up 31 bidding forms and 123 technical documents relating to the 17 areas comprising the so-called Northwest Basin.

In this way, the first phase of the bidding competition will be completed, until it eventually reaches the 32 areas, which also include the Rawson Marina and Southern Basins. It has been estimated that most of the offers will be made for the basin the bids on which will be announced today.

Companies

As has been learned, the companies which procured bidding forms were: Amoco, Andean Production Company, Esso Exploration and Production, Inc, Pluspetrol, Inc, Cities Service,Union Oil Company of California, Sohio Petroleum Corporation, Petrobras [Brazilian Petroleum Company], Societe Nationale Elf Aquitaine, Shell Oil Company of Argentina, Bridas, Agip Argentina, Total Austral, Texaco, Perez Companc Shipping, Marathon Oil Company, General Fuels Company, Chevron Overseas, Astra Capsa, Associated Petroleum Companies of Argentina, Conoco, and Argerado.

The Contracts

According to the executive branch order, the oil contracts have three phases: a prospecting period with a maximum duration of 3 years;an exploration period, of 4 years; and an operational period, of 20 years.

The exploratory phase includes the execution of a compulsory minimum of annual drilling work, while the work and development programs comprising the operations phase must be approved by YPF, which may object and require modifications in the goals devised.

The prices that YPF will have to pay to the contracting firms will be equivalent to the international price in effect at the time of the extraction, for the same type of oil.

A total of 12 percent will be subtracted from that amount in the form of royalties (which will be allocated in its entirety to the provinces), plus a fixed charge of between 8 and 18 percent that will be absorbed by the company.

The explicit guarantee contained in the contracts indicates that, in the absence of foreign exchange, YPF may authorize payment with crude oil or by-products, in an amount equivalent to that owed by the state.

Northwest Basin

In connection with the Northwest Basin, the 17 areas that will participate in the international public bidding are the following: Santa Victoria, Michicola, Rio Seco, Rio Colorado, Hickman, Morillo, Chiretes, Union, Malvalay, Santa Barbara, Olleros, Yatasto, Arenal, Abra Pampa, Aguilar, Valles Calchaquies, and Rio Sali.

Tenders Short of Expectations

Buenos Aires LA PRENSA in Spanish 1 Feb 86 pp 1, 4

[Text] Eight native and three foreign companies submitted nine bids for six of the 17 petroleum areas in the international bidding on the so-called Northwest Basin.

The number of bids was far lower than the authorities from the energy area had estimated, when one considers the fact that this basin was also the one that had aroused the greatest interest among the companies which took bidding forms for the competition.

The envelope opening ceremony took place at Government Oil Deposits, chaired by the energy secretary, Conrado Storani, and was attended by businessmen from the sector.

Board members from firms queried replied that the meager repercussions from this bidding carried out by Argentina were due to the series of actions and counteractions with which the sector's authorities had prepared the contracts, which, in turn, are not completely clear. One businessman commented: "It all gave an impression of legal insecurity that is unfavorable for attracting any investor."

At 1000 hours next Monday and Tuesday, also at YPF, the bidding will be completed with the Southern and Rawson Marina Basins; whereas, on 1 April, it will continue with 34 areas of the Northeast, Neuquina, Golfo de San Jorge, Salado Marina, and Colorado Marina Basins.

The Northwest Basin, for the exploration and operation of which the bids were submitted yesterday, includes the areas located in the provinces of Salta, Jujuy, Tucuman, Santiago del Estero, Catamarca, Chaco, and Formosa.

The Ceremony

The ceremony for opening envelopes began exactly at 1000 hours yesterday, at the YPF's main building. The first speaker was the head of the state company, Rodolfo Otero, who warned that a "boom" should not be expected in the reception of proposals, because from a geological standpoint Argentina lacks the features of the oil-producing countries in the Middle East and in other parts of the world.

"YPF is making this opening in order to explore and develop a large portion of our unknown sedimentary basins."

From Storani

Storani, for his part, said that the typical Argentine contract has had repercussions in all areas of the oil business in the world, as an innovation. "So we owe the major success that this opening of bids has achieved to the confidence that the business firms and private capital have in the present-day Argentine Republic."

He subsequently noted that Argentina needs genuine capital investments, and that this is one of them. The result will not be immediate, but rather over the medium and long term, yet the benefit will be for a country that is projected toward the future.

The Bids

We are listing below the bids based on the different areas, and the companies which submitted them:

For the Rio Colorado CNO 4 area, which covers 4,784 square kilometers, in Salta and Jujuy Provinces (high risk area), the associated companies Argerado, Inc, of the United States, San Lorenzo Oil-Gas Corporation, of the same country, and Riumasa, Inc, of Argentina.

For the CNO 8 area, Astra Capsa of Argentine. This area, called "Union," is medium risk, and is located in Salta Province, with 2,465 square kilometers.

Shell Capsa of Argentina, for the Chirete CNO 7 area, medium risk, with 3,554 square kilometers, in Salta Province.

BHP Petroleum of the United States, and Pluspetrol, Inc. of Argentina, for Morillo CNO 6, medium risk, with 3,518 square kilometers; Chirete CNO 7, medium risk, with 3,554 square kilomeers; and Olleros CNO 11, medium risk, with 6,330 square kilometers,all in Salta.

Perez Companc Shipping Company, Inc, of Argentina, Associated Petroleum Companies of Argentina, Inc, and General Fuels Company of Argentina, Inc, in a consortium, for areas Chirete CNO 7, medium risk, with 3,554 square kilometers, and Union CNO 8, with 2,465 square kilometers, in Salta.

Bridas Sapic of Argentina, for the Hickman CNO 5 area, high risk, with 6,555 square kilometers, in Salta.

Southern Areas Less Attractive

Buenos Aires LA PRENSA in Spanish 2 Feb 86 p 4

[Text] Tomorrow and the day after, the first phase will be completed in the calling for bids on oil exploration and operation, according to an announcement made by President Alfonsin in Houston, Texas.

Tomorrow, the envelopes containing the bids for 12 areas in the Southern Basin (five medium risk and seven high risk) will be opened, and on Tuesday the same thing will be done for three areas in the Rawson Marina Basin offshore, all high risk.

This will conclude the bids for a total of 32 areas comprising the first part of the international public bidding. On 1 April, another phase will begin, with 34 areas in the Northeast, Neuquina, Golfo de San Jorge, Salado Marina, and Colorado Marina Basins.

Last Friday, the bids were announced for the Northwest Basin, in which the potential investors had shown the greatest interest. Nevertheless, out of a total of 17 areas, there were only bids for six, with the rest left for direct award.

As for the Southern and Rawson Marina Basins, the tenders for which will be announced tomorrow and the next day (on both days the envelope opening ceremony will begin at 1000 hours at Government Oil Deposits), they were less sought by the oil companies than was the Northwest Basin. In this connection, it should be noted that, of the 31 bidding forms taken by the interested companies, six were for the Southern Basin, and five for the Rawson Marina Basin. Insofar as technical documentation is concerned, of 132 copies taken, 30 were associated with the former and nine with the latter.

Repercussions

Although the authorities from the energy area strove to evince optimism during a press conference held on Friday, it could not be concealed that this first call for bids did not meet the expectations that had been created, because of 17 areas there was interest in only six.

The Northwest Basin, let for bidding on that occasion, includes areas located in the provinces of Salta, Jujuy, Tucuman, Santiago del Estero, Catamarca, Chaco, and Formosa.

The president of YPF, Rodolfo Otero, told reporters that any tendency to expect a "boom" in the reception of offers should be avoided, because, from a geological standpoint, Argentina does not have the features of the oil-producing countries of the Middle East or other parts of the world.

Nevertheless, when President Alfonsin put forth the proposal in Houston, the expectations at that time were different; hence the trip made by the energy secretary, Conrado Storani, with a large party of businessmen and officials, to the United States, Canada, France, and Italy.

The results are evident in the slight interest shown by the foreign companies, which are also concerned at present over the depression in world oil prices.

Moreover, the preparation of the pertinent contract demanded greater effort than anticipated; because it had to be changed several times to meet the requests of the companies and some clauses are still not very precise.

The Basins

We are providing below the name of each area, with its corresponding dimensions:

Southern Basin: Cardiel (CA-1), 8,078 square kilometers; Viedma, CA-2, 8,434 square kilometers; Mata Amarilla, CA-3, 6,615 square kilometers; Laguna Grande, 4,704 square kilometers; Piedrabuena, CA-5, 6,470 square kilometers; Destacamento, CA-6, 5,546 square kilometers; Rio Bote, CA-7, 6,501 square kilometers; Cancha Carrera, CA-8, 5,003 square kilometers; Rio Turbio, CA-9, 5,788 square kilometers; La Esperanza, CA-10, 3,565 square kilometers; Chank Aike, CA-11, 4,027 square kilometers; and Rio Grande Sur, CA-12, 4,289 square kilometers.

Rawson Marina: CRM 1, 14,738 square kilometers; CRM 2, 13,347 square kilometers; and CRM 3, 11,717 square kilometers.

Government Calls Bidding Successful

Buenos Aires LA PRENSA in Spanish 4 Feb 86 p 7

[Text] The consortium made up of the native companies with private capital, Occidental Argentina and Bridas Sapic,made the only offer for the exploration and operation of one of the 12 areas in the Southern Petroleum Basin which YPF let for bidding as part of the policy announced by President Raul Alfonsin in Houston.

The vice president of YPF, Ricardo Mario Lescan Zini, presided yesterday over the ceremony for opening envelopes associated with the bidding on oil areas in the Southern Basin, located south of Santa Cruz and north of Tierra del Fuego.

The consortium appeared for the bidding on the area known as Rio Grande Sur, in Tierra del Fuego, which has an area of 4,289 square kilometers, and is considered a medium-risk investment.

Furthermore, today envelopes will be opened for the exploration and operation of three other high risk areas in the Rawson Marina Basin, on the Atlantic Ocean maritime shelf, off the coasts of Chubut.

The Rawson Marina Basin has an area of 19,802 square kilometers, divided into three parts, for the bidding on which five bidding forms were taken.

Today's ceremony will complete the first part of the implementation of the oil policy announced by President Raul Alfonsin in Houston, the first concrete step in which was the call for bidding on 32 oil areas.

The bidding program will continue on 1 April, an occasion on which 34 oil areas in the Northeast and Neuquina Basins, and the Golfo San Jorge, Salado, and Colorado maritime basins, will be opened for public bidding.

The energy secretary, Conrado Storani, described the results of the call for bids "encouraging," and admitted that "the depression that has occurred in international oil prices caused us to fear the fate of these bidding competitions."

Storani made this statement during a press conference held last Friday, at a time when the envelopes were being opened for the bidding on the Northwest Basin, wherein there were only six offers for 17 areas.

On this occasion, three companies and a similar number of consortiums submitted bids for the exploration and operation of six areas all of which are considered medium risk investments.

From Storani

The government considered the results of the opening of bids for the exploration and operation of the Northwest oil basin "successful," as part of the so-called Houston Plan, and announced that those contracts would be awarded in the shortest possible time.

In statements made to Radio Mitre, the energy secretary, Conrado Storani, discredited the criticism from the press to the effect that the call for bids had not drawn the interest of all the large international oil companies, and claimed: "Argentina's success was greater than that of Colombia, China, or Indonesia in the progress of the contracts."

In assessing the results of the opening of envelopes for the awarding of 17 areas, Storani announced that Argentina "will sign at least nine contracts and, Colombia, on the other hand, had to wait 4 years in order to procure one."

Storani expressed his "satisfaction at the large volume of response" that the Argentine and foreign companies gave to the call for bidding on the operation of six oil areas in the Northwest Basin.

He emphasized: "The government is quite satisfied, and the progress shown by the country, based on the presence of the foreign companies, is a complete success"; noting: "Shell and Esso are the largest, and they are present."

Storani, who was annoyed by the reaction from the press, which judged "the presence of the companies as meager" in the bidding competition, claimed that he "had nothing further to say about this," and merely reiterated that "it was a success."

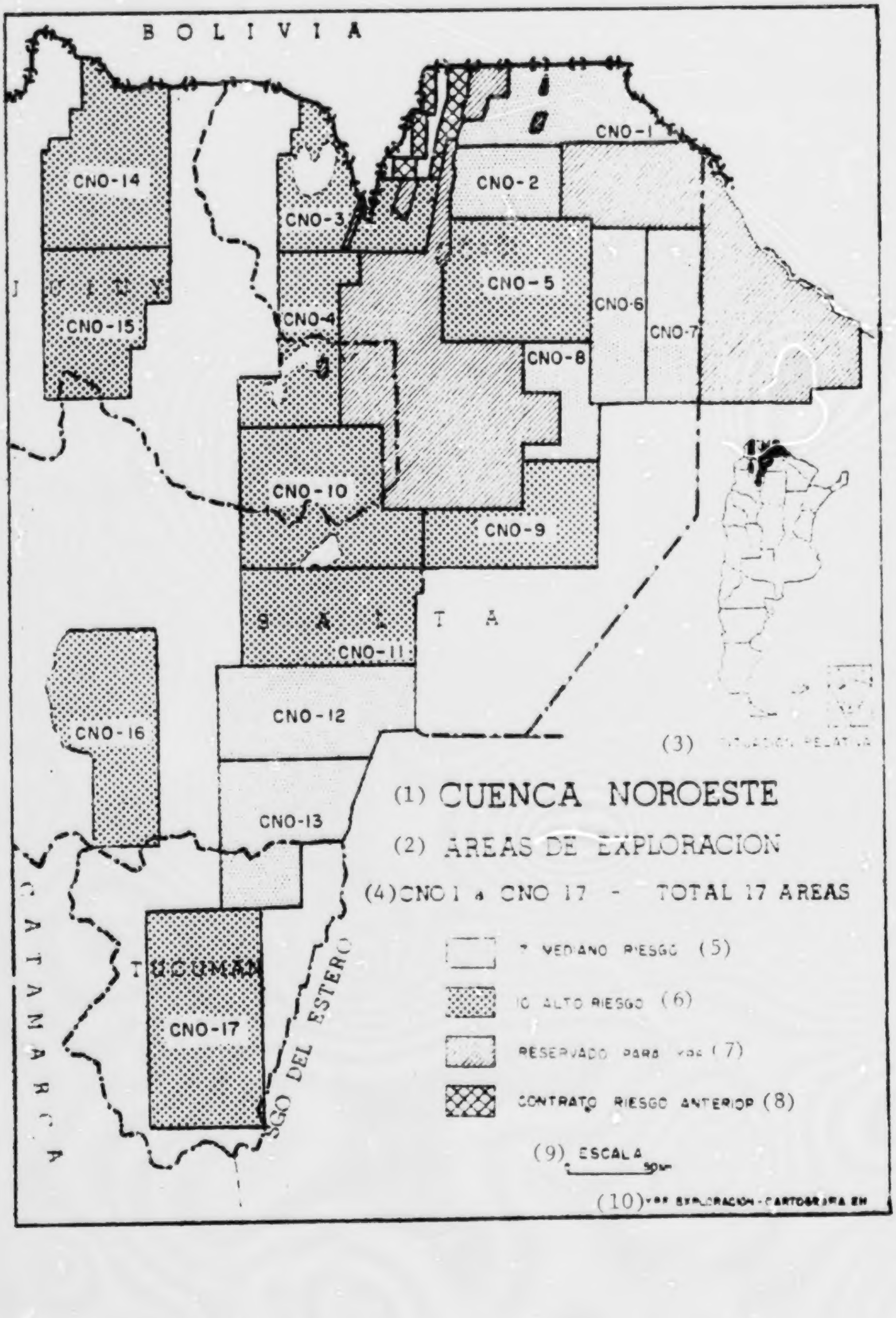
Companies

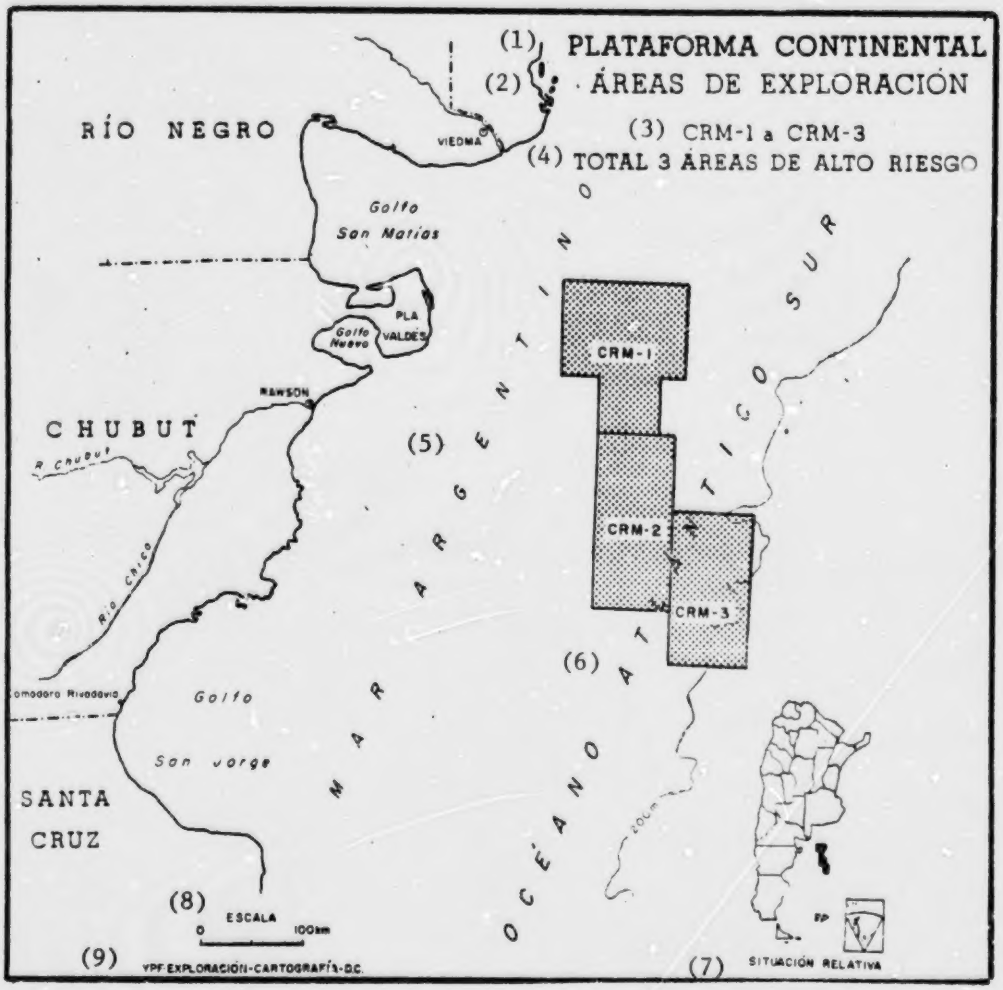
He maintained that the press report citing "the absence of the largest international oil groups" was "mistaken," explaining: "Of the six firms that made offers in the bidding competition, four are foreign: two American companies, the British-Dutch firm Shell, and the other one Australian, participating in Argentina for the first time."

He pointed out that the absence of the other companies "has occurred because there are other areas which still remain, for which they will surely appear, on the basis of technical reasons."

Key to Map 1:

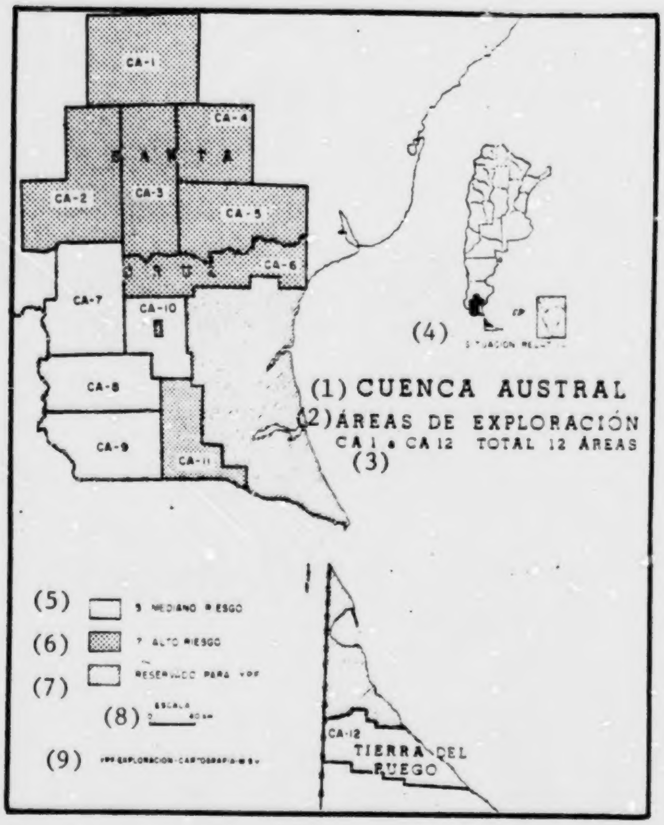
1. Northwest Basin
2. Exploration Areas
3. Relative position
4. CNO-1 to CNO-17
5. Medium risk
6. High risk
7. Reserved for YPF
8. Previous risk contract
9. Scale
10. YPF-Exploration-Cartography-EM


BOLIVIA
JUJUY
SALTA
TUCUMAN
CATAMARCA
SGO DEL ESTERO
CNO-1
CNO-2
CNO-3
CNO-4
CNO-5
CNO-6
CNO-7
CNO-8
CNO-9
CNO-10
CNO-11
CNO-12
CNO-13
CNO-14
CNO-15
CNO-16
CNO-17
(3) SITUACION RELATIVA
(1) CUENCA NOROESTE
(2) AREAS DE EXPLORACION
(4) CNO 1 a CNO 17 - TOTAL 17 AREAS
7 MEDIANO RIESGO (5)
10 ALTO RIESGO (6)
RESERVADO PARA YPF (7)
CONTRATO RIESGO ANTERIOR (8)
(9) ESCALA
50 km
(10) YPF EXPLORACION - CARTOGRAFIA EH


(1) PLATAFORMA CONTINENTAL
(2) ÁREAS DE EXPLORACIÓN
(3) CRM-1 a CRM-3
(4) TOTAL 3 ÁREAS DE ALTO RIESGO
RÍO NEGRO
VIEDMA
Golfo San Matías
PLA VALDÉS
Golfo Nuevo
RAWSON
CHUBUT
R. Chubut
Río Chico
Comodoro Rivadavia
Golfo San Jorge
SANTA CRUZ
(5) MAR ARGENTINO
(6) OCÉANO ATLÁNTICO SUR
CRM-1
CRM-2
CRM-3
200m
(8) ESCALA
0
100km
(9) YPF EXPLORACIÓN-CARTOGRAFÍA-DC
(7) SITUACIÓN RELATIVA

Key to Map 2:

1. Continental Shelf
2. Exploration Areas
3. CRM-1 to CRM-3
4. Total 3 high risk areas
5. Argentine Sea
6. South Atlantic Ocean
7. Relative position
8. Scale
9. YPF Exploration-Cartography-DC


CA-1
CA-4
SANTA
CA-2
CA-3
CA-5
CRUZ
CA-6
CA-7
CA-10
CA-8
CA-9
CA-11
(4)
SITUACION RELATIVA
(1) CUENCA AUSTRAL
(2) ÁREAS DE EXPLORACIÓN
CA 1 a CA 12 TOTAL 12 ÁREAS
(3)
(5) 5 MEDIANO RIESGO
(6) 7 ALTO RIESGO
(7) RESERVADO PARA YPF
(8) ESCALA 0 40 km
(9) YPF EXPLORACION-CARTOGRAFIA-M S V
CA-12
TIERRA DEL FUEGO

Key to Map 3:

1. Southern Basin
2. Exploration Areas
3. CA 1 to CA 12
4. Relative position
5. Medium risk
6. High risk
7. Reserved for YPF
8. Scale
9. YPF-Exploration-Cartography-MSV

2909
CSO: 3348/408

ARGENTINA

OIL PRODUCTION DROPS 4.2 PERCENT IN 1985

Buenos Aires LA PRENSA in Spanish 17 Jan 86 p 11

[Text] According to data from the Government Oil Deposits company (YPF), during 1985 the cumulative oil production in Argentina was 26,684,924 cubic meters; which is equivalent to a 4.2 percent reduction from 1984, a year in which 27,854,478 cubic meters were extracted.

Last December, the production of liquid and gaseous hydrocarbons totaled 3,857,426 cubic meters, as compared with 3,776,048 cubic meters in November; representing a 2.16 percent increase.

YPF noted that the decline in oil production last year is "in accordance with the procedures adopted to fulfill the export requirements, without upsetting the self-sufficiency."

Of the total extracted in December, 2,214,477 cubic meters pertained to oil, compared with 2,140,767 cubic meters in November (3.44 percent more), and 1,642,949 cubic meters to gas equivalent in caloric value to oil, in contrast to 1,635,281 cubic meters for the preceding month (0.47 percent more).

Of the cubic meters of oil produced in December, 1,558,845 were extracted by administration, as opposed to 1,507,759 in November (3.39 percent more), and 655,632 through extraction contracts, compared with 633,008 the month before (3.57 percent more).

According to the YPF information, in 1985 922 wells were finished (554 by administration and 368 through contracts), as opposed to 921 completed in 1984. During December, 80 wells were finished (53 by administration and 27 through contracts), compared with 75 finished in November (6.67 percent more).

Of the total 1,642,949 cubic meters of gas equivalent in caloric value to oil collected in December, 1,175,539 cubic meters were delivered to State Gas, a figure 7,668 cubic meters larger than during the previous month (0.47 percent more).

Of the natural gas processed in December, 8,590,000 liters of liquid gas were extracted, 32.73 percent less than in the month before.
2909
CSO: 3348/408

ARGENTINA

YPF TO UNDERGO ECONOMIC-TECHNICAL EVALUATION

Buenos Aires LA PRENSA in Spanish 30 Jan 86 p 12

[Text] The president of Government Oil Deposits (YPF), Rodolfo Otero, has declared that the national executive branch's decision to release that company from external financial obligations will make it possible "to preserve its operation and its assets," and expressed the view that, "from now on, we shall be able to make an economic-technical evaluation of each of the deposits, and determine whether or not we are interested in becoming associated" with private firms.

Otero (in statements made to a local radio station) stressed that the criteria adopted by the executive branch "are a result of the overall analysis of the company's operations," because "the retention levels are low compared with the other oil companies in the world, and with respect to the oil income earned by the state."

He added: "Over 50 percent of what the consumer pays does not reach YPF"; and noted: "Understandably, under those conditions, and over the years, the company's profits and losses have always been negative."

Moreover, the head of YPF claimed: "In 1982, 94 percent of the company's foreign debt was $4.6 billion," whereas "the operation with negative profits and losses caused the company's operations to become complicated."

He also pointed out that the Houston Plan on the formation of mixed consortiums "makes it possible for YPF to have different degrees of participation" wherein "my company has the option to become associated in a percentage that ranges from 15 to 20 percent."

Otero remarked: "This has been provided in the terms included in the call for bids, the opening of which will take place next Friday."

With regard to the opening of envelopes in the call for bidding on oil areas, Otero expressed the view that "to date, the calling has been done in terms that are acceptable for those interested, and primarily for the country," noting that, "of the 42 areas that have reached the bidding compeition, 39 are located in the southern territory, and there will be three in the Rawson maritime basin."

2909
CSO: 3348/408

BELIZE

NEW PEOPLE'S POPULAR PARTY NAMES SECRETARY GENERAL

Belize City THE REPORTER in English 9 Feb 86 p 1

[Text]

Mr. Nicholas Pollard, former trade unionist and co-founder of the People's United Party, has been appointed Secretary General of the newly formed People's Popular Party.

Announcing this, Party Leader Louis Sylvester said he believes Mr. Pollard will be able to play a "leading role" in making the P.P.P. a viable alternative to both the UDP and the PUP in municipal and national elections.

Mr. Pollard, now 62, is a full time instructor at St. John's College where he teaches Spanish and Belizean and Caribbean History. He has said that his work as Secretary General will be part-time.

Pollard was one of the youngest and brightest co-founders of the People's United Party back in 1950. He was at the very heart of the controversary which split the party in 1954 when the General Workers Union sided with Richardson, Goldson and Jex who shortly afterwards formed their own party called the Honduras Independence Party. Pollard and Price, maintaining control of the PUP, went on to form the Christian Democratic Union.

Pollard subsequently broke with the PUP, but has retained a curious love-hate relationship with the Party up to the very eve of the 1984 general elections.

In his new position as Secretary General it is expected that Pollard will now have easy access to the Voice newspaper, which is the official organ of the BPP.

/9274
CSO: 3298/355

BELIZE

BELIZE TIMES REPORTS PUP CONVENTION PAPERS, POLICIES

Said Musa Report

Belize City THE BELIZE TIMES in English 9 Feb 36 p 2

[Editorial]

[Text] At a time when many Belizeans have lost faith in the false promises of the UDP government, they are looking again to the People's United Party to save Belize from economic disaster and social deterioration.

The P.U.P has risen to the occasion by giving back hope to the people that Belize can once more be set on the right course to development where there is a P.U.P. government to advance the peaceful, progressive revolution.

More than ever Belizeans need the P.U.P. The P.U.P. has responded by again setting forth its philosophy and attitudes of government in a paper entitled "A NEW PHASE OF THE REVOLUTION".

This paper, we learn, was presented by Mr. Said Musa, to the business session of the National Convention on January 18, 1986 when it received unanimous approval and a standing ovation by the delegates.

Next day at the Plenary Session at City Centre it was presented by Mr. C.L. B. Rogers on behalf of Mr. Said Musa who was unable to attend the Convention due to the unexpected death of his father, the Late Mr. Hamid Musa, J.P. Manager of the BELIZE TIMES PRESS. At this session it received unanimous approval amidst loud acclamations of support.

The paper has eight sections: (1) 1986 to the 21st Century, (2) Economic Democracy, (3) Political Democracy, (4) Social Democracy, (5) Defending our Sovereignty, (6) Peace with Justice, (7) The New Phase of the Revolution in a Changing World and (8) The Mission and Vision.

Preparations are underway for its publication in booklet form together with the fourteen resolutions passed by the Convention. Meanwhile BELIZE TIMES from time to time will carry portions of this important document.

Peace and Economics

Belize City THE BELIZE TIMES in English 9 Feb 86 p 2

[Unsigned article "Development, the New Name of Peace"; no connection with the PUP convention indicated.]

[Text]

In its many dimensions, under-development remains an ever growing threat to world peace. Between countries, which form the "North bloc" and those of the "South Bloc", there is a social and economic abyss that separates rich from poor.

Peace is lost by the social and economic exploitation by special interests groups which operate internationally or function as elites within developing countries.

Peace is lost when the use of force produces the bitter fruit of hatred and division. .

It is clear that "peace built and maintained on social injustice and ideological conflict will never become a true peace of the world.

For the stability of peace there is need to set up new types of society and of international relations which ensure justice and peace on stable and universal foundations.

The hearts and attitudes of people must be changed. This needs a renewal, a conversion of individuals. This is the path that humanity must take if it is to enter into an age of universal peace and integral development.

Changes in economic growth patterns have affected all parts of the world and just not the poorest. The person who sees peace as a universal value will want to use this opportunity to reduce the differences between North and South, and foster the relationships that will bring them closer together.

This involves the prices of raw materials, the need for technological expertise, training of the work force, the potential productivity of the millions of unemployed, the debts poor nations are carrying.

All this must be changed. If social injustice is the means to move towards a peace for all peoples. It means that we see peace as an indivisible fruit of just and honest relations on every level-social, economic, cultural and ethical - of human life on earth.

Resolution on Youth Affairs

Belize City THE BELIZE TIMES in English 9 Feb 86 p 11

[Text]

Lasting harm was done to the youth of Belize in the year 1985 dedicated to the youth of the world when the government by its decision to wreck the BELCAST project deprived the Belizean young people of a university.

The project was to build for BELCAST (the Belize College of Arts, Science and Technology) a new campus and plant in Belmopan which in time would have become the University of Belize where students could study instead of going abroad at much higher cost. It was intended to make higher education available to more students.

The previous government in the latter part of 1984 prepared the site and dedicated it with the blessing of the Church to the youth of Belize. This was a public expression of the policy of the Church-State partnership in education.

The disastrous decision has also affected the economy by stopping an investment of some $12 million which today would employ many workers & make purchases of building material from the trade.

Mindful of this deplorable state of affairs, the Convention of the People's United Party on Jan. 19, 1986, passed the following resolution.

WHEREAS: (1) The People's United Party government had secured the funding from the European Economic Community for the building of the BELCAST Campus with classrooms, laboratories, library, student dormitories, recreational and sporting facilities.

(2) This project for the Belize College of Arts Science and Technology would be the nucleaus of our own future University of Belize serving the development needs of Belize and offering thousands of young Belizeans the opportunity for advanced education and training;

(3) The construction of this campus which should have commenced last year 1985 would have provided hundreds of much needed jobs for our people;-

(4) The present government decided against proceeding with the BELCAST project;

BE IT RESOLVED that this National Convention of the People's United Party roundly condemns this deplorable and short-sighted action of the UDP government and calls on the said government to remedy this mistake by taking immediate steps to re-activate the BEL AST project.

Land for Foreigners

Belize City THE BELIZE TIMES in English 2 Feb 86 p 4

[Text]

One of the disastrous decisions of the U D P government is the sale of the BEC land to foreign buyers.

To compound the disaster, we learn that the government failed to comply with the usual development proposals from the buyers and also to collect the right amount of revenue for the Treasury.

This kind of government does not serve the best interest of Belize and its people. The PUP Convention of January 19, 1986 deplored the transaction in the following resolution:

RESOLUTION ON SALE OF BELIZEAN LAND MOTION

WHEREAS:

(1) 686,186 acres of Belizean land formerly owned by the Belize Estate and Produce Co. Ltd. have been sold to a foreign concern;

(2) No revenue has to date been paid to the Registry for the stamp duty and registration fee totalling $1,020,000.00 in respect of the said land sale; Nor has the arrears of the land tax totalling $877,041.79 been collected?

(3) Government has reportedly valued some $18,932 acres of the same land which was acquired and has agreed to pay the company $1,116,988.00 for that acquisition (or some $59.00 per acre);

(4) The valuation accepted for the 686,186 acres was a purchase price of 12 million dollars (or $17.50 per acre);

(5) The only development project so far mentioned in this big land transaction is for the cultivation of 25,000 acres of citrus. Nothing has been said about the remaining 636,186 acres;

(6) The Coca Cola proposals for the development of of this 25,000 acres do not appear to involve the participation of Belizeans as farmers and producers only as farm workers;

(7) Government is reported to have given a commitment to expend vast sums of AID finance for infrastructural development such as roads to service this project;

(8) The handling of this proposed investment and the entire land deal leaves many questions unanswered which the citizens of Belize are entitled to have unanswered;

(9) The transaction poses a serious threat to our sovereignty;

BE IT RESOLVED that this convention calls on the Government to set up a Fact Finding Committee including members of the Opposition, to examine all records, documents and things related to this B E C/Bowen/Mischer/Howell/Coca Cola land transaction and the development proposals arising therefrom.

/9274
CSO: 3298/355

BELIZE

POLICE PROBE PUP 'SCANDAL SHEETS'; HARASSMENT CHARGED

Corozal, Orange Walk Investigations

Belize City THE BEACON in English 8 Feb 86 pp 1, 11

[Text]

For months a number of PUP scandal sheets have been circulating in the Corozal and Orange Walk Towns and the host of villages scattered in these two northern districts. While a few of the sheets have filtered outside the two districts, their publications have basically been limited to that area.

The four publications called "Cha-Ka-Laka," "Kro-Kri-Krow," "El Martillo" and "Despertador" have limited their writings to personal attacks on politicians, the UDP government and UDP Party affiliates; to a string of libellous accusations; to articles advocating violent revolution and anarchy.

Furthermore, all four publications were issued without the names of the printer or publisher, a direct contravention of the newspapers ordinance.

This week Police patrols raided the homes of PUP Representative Valdimar Castillo, PUP official Dr. Gregorio Garcia (who ran on the PUP ticket in the 1984 general elections and lost), and Everaldo Pook, the PUP school teacher who was a leader in the recent teachers' demonstration, and came up with a number of printing items including copies of some of the publications and a gestetner machine.

Police so far are still conducting their investigations, and have not yet issued any summonses. But an official source states that it is expected that arrests of high-ranking PUP officials can be expected, and they could face a number of charges ranging from criminal libel and inciting a riot to issuing publications in contravention of the newspapers law.

'Repression' Charge

Belize City THE BELIZE TIMES in English 9 Feb 86 pp 1, 7

[Text] The Corozal Police last Tuesday, acting on instructions from Belmopan, raided the home and office of Dr. Gregorio Garcia with a search warrant, seized and took away two gestetner stencil machines with typewriter.

This repressive action on the part of the police in true gestapo style was done on the orders of their political bosses so as to prevent the People's United Party from distributing any bulletin to the people of Corozal.

It is understood that Corozal Bay representative Israel Alpuche complained to Attorney General Elrington to put a stop to the PUP flysheets. Elrington in consultation with Home Affairs Minister Thompson, arranged for the police to clamp down on all the PUP officials in Corozal.

At a recent meeting of the House of Representatives, the UDP Attorney General had served Notice that he intended to use the instrument of the law to intimidate, harass and crush all opposition to the already unpopular Esquivel regime.

This latest move with the illegal seizure of Dr. Garcia's personal duplicating machines and type writer is but an extension of the UDP policy of denying freedom of speech to their opponents.

Despite all the many election promises about "a free radio" the UDP has also denied the PUP access to airing any programme on the Radio.

Now the embattled government is moving against the printed word as they launch a new repressive campaign to shut up dissent. They are sowing the seeds of bitter discord.

But the more they repress, the more forceful will become the clamour for their resignation.

/9274
CSO: 3298/355

BELIZE

BRIEFS

CARICOM TRADE TALKS--(GIS): Trade relations between Belize and the Caribbean Community were discussed between three visiting officials of the Caricom Secretariat and top government officials. The Caricom officials were Ag. Director of Trade and Agriculture Desiree Field-Ridley, Trade Programme Coordinator Stanley Odle and Senior Fisheries Officer in the Agriculture Section Ronald Gordon. They met Foreign Minister and Minister of Economic Development Dean Barrow, Natural Resources Minister Dean Lindo, Financial Secretary Edney Cain and officials of the Ministry of Commerce, Industry and Fisheries. The three officials, who left over the weekend, discussed the possibility of Belize acquiring new marketing arrangements within the Caricom region. They also reviewed other matters of concern to Belize including Caricom intra-regional trade. Also on their agenda was the upcoming Caricom Foreign Ministers Meeting which is to be hosted by Belize in May. [Text] [Belize City THE BEACOM in English 8 Feb 86 p 2] /9274

CSO: 3298/355

SOFOFA LAUNCHES CAMPAIGN TO PROMOTE NATIONAL PRODUCTS

Santiago EL MERCURIO in Spanish 14 Feb 86 pp 1B-2B

[Text] Hernan Briones, chairman of the national purchasing committee of the Industrial Development Association (SOFOFA), yesterday announced the implementation this year of a series of actions aimed at replacing imports through the broadest possible use of national products based on their efficiency and competitiveness compared with their foreign counterparts.

Briones added that this is one of the main objectives which the association had set for 1986, in addition to the customary tasks relating to the creation of greater employment possibilities in the country.

He added that the Industrial Development Association has decided to implement the plan, fully aware that industry is the main source of jobs throughout the world.

Briones said that the actual replacement of imports could take place in Chile, first of all, through a policy of outright replacement, in addition to the commitment of giving preference to national products in manufacturing activities or the execution of major projects carried out in the country.

For example, proposals calling for the purchase of equipment or elements by enterprises initiating investments in Chile would have to consider national products in terms of priority.

Linzana [sic] said that at the present time, different foreign firms investing in the country are bringing in practically all the materials and equipment required from their place of origin. He cited the specific example of the Methanol Project in the southern portion of the national territory.

"It would be more logical for such elements to be purchased in the country where the investments are made," he said, "which commitment should be made along with the proposal."

Initial Action

The chairman of the SOFOFA national purchasing committee went on to report that one of the first actions will come in March, consisting of a program of meetings with the executives of different firms in order that they might list products they would be interested in purchasing in connection with the substitution of imports, products that could be used in their respective activities or in completing new development projects.

A second task would consist in a schedule of meetings with possible bidders or producers so that they might indicate which national products they would be interested in selling within the framework of the plan. The third action would be visits to industries in order to coordinate the foregoing activities with them.

Briones said that SOFOFA has already told businessmen that whenever they have a new or interesting product that might take the place of imports, they should let the institution know so that it may be considered as part of the plan of general action.

He added that other actions would include the drafting of an industrial guide aimed at listing products the country now has.

Finally, he announced the imminent publication of a "Decalog for the Purchasing Executive" of national industries, which contains the basic aspects of their commitment so as to give preference to Chilean products in the performance of their duties.

11,464
CSO: 3348/439

CHILE

INE STATISTICS SHOW 30 PERCENT BELOW POVERTY LEVEL

Santiago EL MERCURIO in Spanish 9 Feb 86 p C2

[Text] The president of the College of Engineers of Chile, Eduardo Arriagada, has stated that he does not doubt the figures recently released by the director of the National Institute of Statistics on improvements experienced by the people in different categories, compared with 1970, but that "they only represent one aspect of what constitutes the standard of living of Chileans."

Arriagada added that "it is the aspect of least importance because the fundamental element, which is access to acceptable minimum levels of consumption, shows that poverty is an extremely grave problem at the present time and that extreme poverty has reached unacceptable limits."

At a press conference, the official indicated that "it is ridiculous to show improvements in quality of life which have a negative effect on that portion of the population bearing responsibility for any real improvement in the standard of living, for they will then have no reason to take the truly essential action implying the sacrifices required to meet the difficult situation that exists."

Arriagada said that the College of Engineers' position on poverty is not politically motivated and that its only interest is in achieving public awareness of the situation in order to motivate the government and all Chileans to face the problem.

It will be recalled that the director of the National Institute of Statistics, Alvaro Vial, in comparing the results of the 1982 census with those from 1970, said that there had been progress in housing, electrification, water and sewage services, the level of education, access to health care and the ownership of durable consumer goods such as television sets, refrigerators, automobiles and washing machines, which showed that the quality of life of Chileans had improved.

Arriagada said that the current situation has resulted from insufficient growth in the product in recent decades, the unsatisfactory distribution of income and the fact that social spending, although redistributed on the whole, does not solve the problem of extreme poverty. "Many of the programs are aimed at middle- and high-income groups, so that 40 percent of the households in the upper income groups have 50 percent of social subsidies."

He said that at the present time, the per capita product is similar to the figure for 1967 and that the distribution of income is extremely regressive.

Arriagada added that 30.3 percent of all Chilean families do not have an adequate income to meet basic needs, "meaning that they are extremely poor," and that 370,000 young people in Santiago are unemployed.

He noted that there is no other solution to the problem of poverty than an increase in national wealth and an adequate distribution of its product. "The entire effort of the country must be aimed in that direction: creating sources of production and work."

11,464
CSO: 3348/439

1986 PROSPECTS FOR STEEL INDUSTRY TERMED 'UNCERTAIN'

Santiago EL MERCURIO in Spanish 13 Feb 86 p B3

[Text] Chilean exports of iron and steel products amounted to 100,000 tons in 1985, according to information from Commercial Steel. The figure is barely above that for 1984, when 99,400 tons of steel products were exported.

According to that source, this year's exports are not expected to be much higher because Chile "only exports its production surpluses. Iron and steel products are mainly for domestic consumption. In addition, the level of international prices is extremely poor, so that it is not economical for the country to increase production for the purpose of exports."

Chile reached its highest level in this category in 1982, exporting 162,800 tons, which was a spectacular leap inasmuch as only 4,600 tons had been exported in 1981. Shipments abroad have declined since that time.

In addition, exports of iron and steel products from Latin America amounted to 9.6 million tons, according to figures from the Latin American Iron and Steel Institute (ILAFA), which represents 7.5 percent of the world market and contributes over $2 billion to the region's trade balance. In 1980, the continent represented only 2 percent of the international market.

One important reason for this increase was the opening up of new markets for Latin American products. Prominent among them are the People's Republic of China, Southeast Asia, Japan and various Arab and African countries.

The main exporter of iron and steel products in the region last year was Brazil, with 6.5 million tons. It was followed by Argentina, with 1.3 million tons, and Venezuela, with 1.1 million tons.

ILAFA Secretary General Anibal Gomez maintains that prospects for the Latin American iron and steel industry in 1986 "are rather uncertain. A true and firm recovery of the Latin American economy requires a world picture from which protectionist practices are absent and in which credit is obtainable and interest rates low.

"Given this state of affairs, one can expect growth in the GNP of from 3 to 4 percent in 1986, permitting an increase in consumption of steel of 5 percent yearly starting in 1986. This would mean something over 30 million tons."

11,464
CSO: 3348/439

COLOMBIA

GOVERNMENT TO DEBATE GUARANTEEING PUBLIC FOREIGN DEBT

Bogota EL TIEMPO in Spanish 11 Nov 85 pp 9-C, 10-C

[Article by Carlos Pineros]

[Text] Congress opens in the week of 11 Nov a debate on the possibility of "nationalizing" the risk of default on foreign debt obligations on the part of decentralized entities and other levels of the administration, according to a proposal by Conservative Representative Daniel Mazuera Gomez.

His initiative, applicable solely in cases in which, because of such defaults, the payment of foreign resources by the government may be in dispute, also takes into account the possibility that the nation should take over management of the credit that is in default or any other loan, as well as the execution of the project benefiting from such funds.

The former president of the Chamber of Representatives spelled out his proposal in the official report on the bill that the government submitted to Congress two months ago with the purpose of covering the 148.8 billion-peso shortfall that it is estimated the administration will face in 1986 in covering its basic expenses.

According to Mazuera Gomez, international banks have insisted during new negotiations of credit for the country on the necessity that all the organizations should be up to date on their obligations as a condition for preserving good financial relations.

"In practice," the Congressman said, "it is very difficult to assert that the entire public debt of the country, which is the responsibility of different entities, is up to date, and there is no mechanism for the central government which allows it to enforce such performance, above all when the situation is due to the financial strangulation of the entity that is in debt."

He said this type of situation "is frequent" and he therefore proposed "authorizing the nation to make capital or interest payments on the foreign debt of such entities, and immediately recovering the sums paid out with charges against cessions of the sales tax, fixed fiscal income or any other appropriation the beneficiary of which is the entity for which the nation has made the payment."

The Congressman proposed the following wording for the appropriate article in the proposed law: "When it is necessary for territorial or decentralized entities to be up to date on their foreign obligations, whether these are guaranteed or not, so that the nation may receive payments of foreign loans, the nation may make the respective payments and immediately carry out the necessary budget operations required to recover the total amount covered, with costs and interest, charging this to cessions of the sales tax, fixed fiscal income or any other appropriation the immediate beneficiary of which is the entity whose debt was covered. Furthermore, the nation may contract with such entities and with the Bank of the Republic to administer the funds resulting from credit operations covered by this law, and for the execution of the projects for which the credits are intended."

The author of the official report made other changes and additions to the proposal, among them being an extension for one year of the period that the government has, according to Law 55 of 1985, to issue bonds denominated in dollars and to place them on the international market, to a value of 500 million dollars. He also accepted the administration's suggestion to facilitate an additional issue of 250 million dollars. The first 500 million dollars are intended to promote repatriation of capital with a foreign exchange and personal tax amnesty. If Mazuera Gomez' position is approved, other investors may also subscribe to the bonds.

The bonds or securities may also be denominated in other currencies and in European Currency Units. The Bank of the Republic may intervene in the market to maintain a good quotation and will also open a maintenance fund with 10 percent of the new funds invested so as to avoid issuing money to redeem the bonds, according to the ideas presented by Mazuera Gomez.

The official idea of increasing by 40 billion pesos the issuance of TAN (Titulos de Ahorro Nacional - National Savings Securities) was raised by Mazuera to 49 billion pesos, a figure he thought more appropriate to the government's needs, but he warned that this means of financing public expenditures is onerous and presents serious dangers on being unwound. If this amount is approved, close to 200 billion pesos worth of TAN will have been issued since their creation in 1983, and close to two thirds will be in circulation in 1986.

The government's request according to which an issue of 55 billion pesos is required, plus 15 billion pesos if the planned foreign credit payments are mot made, were welcomed by the Congressman. So was the request, for an internal debt allowance of 15 billion pesos to contract for development projects. Mazuera said this operation would not imply making any issues and that in some cases it would be simply an accounting procedure. He also supported increasing by 2.5 billion dollars the allowance for foreign debt.

In the bill the Congressman also suggested that the Interparliamentary Committee for Public Debt, which issues opinions on financial operations and does not obligate the government, should henceforth give two opinions: one before negotiations begin and the other on completing approval of each credit. He also proposed the idea of "positive administrative silence" for the committee, which has no administrative power, in that if it does not meet within 30 consecutive days of being convened, after this time it shall be considered to have given a favorable opinion or that this requirement has become moot.

The Congressman laid great stress on the importance of the Ministry of Finance's Directorate of Public Credit being reformed and modernized and that it should stop using manual methods to maintain the accounts and records of foreign credits, and that it should be provided with resources adequate to its operations. For this reason he included in the bill an article empowering the government to act accordingly within three months.

Discussion of the bill will commence in the presence of the Minister of Finance, Hugo Palacios Mejia, who will also have to respond to a debate in which the Liberals will discuss the administration's economic policy in the Chamber on 13 Nov.

12856/9190
CSO: 3348/192

COLOMBIA

GOVERNMENT INCENTIVES RESULT IN SLIGHTLY INCREASED EXPORTS

Bogota EL TIEMPO in Spanish 12 Nov 85 pp 1-D, 5-D

[Article by Jose Fernandez Lopez]

[Text] One of the main goals of the Colombian government's economic adjustment program is to increase exports.

No efforts have been spared to achieve this. The last year's devaluation was the biggest in the history of the country, and the other incentives, although they have been modified in accordance with the devaluation (an increased interest rate and lower CERT [Tax Reimbursement Artificate] for some products) are still an important support for exporters.

Results, however, have not been of the best. According to DANE [National Administrative Department of Statistics], exports in the first half of 1985, excluding coffee--trade which is outside the incentives framework since it is a product sold in a regulated market--grew barely by three percent compared with the same period of 1984.

This could be due to several reasons. One, suggested by exporters themselves, is that the markets that have been lost in several years of mistaken policies (especially the management of the exchange rate) cannot be recovered in a period of six months. Another is that the country is positively very backward in matters of infrastructure for foreign trade (this is the period in which it has not proved possible to complete regulating operations of trading companies). Yet another is the technological backwardness of our industrial base, which prevents offering competitive products, not only in price but also in quality.

However, more important in this case is a factor associated with the working of the world economy which has become the great enemy of the recovery process in the Latin American economies: the decline in commodity prices.

The figures provided by DANE reveal in fact the negative impact this factor has had on Colombian trade, since the value of exports in the first half is barely three percent higher than last year's value, while the volume of exports is 44 percent higher.

What this means is that (expecting some areas in which there may have been a shift in the composition of exports from products of greater volume and lower price, such as in the case of books) the prices of the country's export products dropped considerably in the world market.

Particularly dramatic is the change in the area of "Mineral fuels, mineral oils and products of their distillation, bituminous matter and mineral waxes," the export volume of which grew by 73 percent in the first half and the value of which increased by only 15 percent. The published date do not discriminate by product but it is evident that the difference is basically due to the decline in the price for fuel oil, although it is possible that coal may have had some influence.

Equally clear is the influence of declining prices in international markets with regard to the relationship between value and price of agricultural products such as cotton and sugar. In the case of cotton, volume of exports in the first half rose by 55 percent while value only increased by three percent. In the case of sugar, exports (including confectionery items) also increased considerably (129 percent) which did not prevent the export value from declining.

The only area showing an apparent improvement in prices is leather manufacturers. However it is possible that here also there may have been a change in the exportable supply, with an increased proportion of luxury articles.

In overall (and absolute) terms, exports other than coffee rose from 2.5 million tons in the first half of 1984 to 3.7 million tons in the first six months of 1985. But income barely rose from $835 to $860 million.

Although imports showed a similar tendency, with volume maintaining its level while value declined, this was much less marked than the value of exports.

This situation, which is most certainly not peculiar to Colombia, does nothing more than corroborate what important international organizations such as the Economic Commission for Latin America and governments of developing countries have been saying for a long time: the effective recovery of the economies of Third World countries will be impossible as long as the terms of trade continue to be so unfavorable.

At the end of last week the Economic Commission for Latin America published an "Economic Panorama of Latin America in 1985" in which it is stated that, with the exception of Brazil, economic growth in the region slowed down in the current year, due, among other things, to a new "deterioration of the terms of trade." And the fact is that, as has been repeated a thousand times, in such conditions no economic adjustment plan can possibly work.

12856/9190
CSO: 3348/192

COLOMBIA

BRIEFS

NEW AGRICULTURE VICE MINISTER--Economist Clemencia Gomez Paris of Tolima was appointed vice minister of agriculture, replacing Cecilia Lopez Montano, the new ambassador to the Netherlands. The appointee is an economist graduated from Rosario University. She has taken specialized courses in agricultural projects in Brazil, food marketing in the European Economic Community and managerial development, among others. [Text] [Bogota EL TIEMPO 9 Nov 85 p 2-D] 12856/9190

CSO: 3348/192

CUBA

PEOPLE'S ANTI-AIR DEFENSE EXERCISES RECOUNTED

Havana VERDE OLIVO in Spanish 26 Dec 85 pp 60-63

[Article by Cesar Gomez Chacon]

[Text] The year 1985 was one of advanced training for the country's defense system, based on the new concepts of the war of all the people and experience already acquired in the different drills and exercises held.

The defense zones, headed by their councils and scattered throughout the width length and breadth of our national territory, have become a force of incalculable magnitude making every meter of Cuban soil a bastion difficult to conquer by the attacker.

But not only the land will be an impregnable fortress. The defense zones will also turn our free, blue skies into a bastion. The enemy will not be able to bomb and strafe our cities, towns or countryside with impunity, much less drop in troops without proper punishment.

The People's Anti-air Defense (DAAP), along with the regular troops of the anti-air defense of the FAR [Revolutionary Armed Forces], is organized and headed by zone councils, under a unique plan and idea. It will fight off any air attack by the enemy, for which purpose it has its own means and forces.

The DAAP, organized even in peacetime and involving the entire population of the country, is not limited to combat actions, which may utilize anti-aircraft weapons, those of the infantry or any others designated by the defense zone for use against air objectives. Rather, it also includes a whole series of measures aimed at reducing to the maximum extent any possible effect of enemy air attacks on the population and other specific objectives.

The farmer playing the role of liaison between the defense zone and the radio unit gallops up on his horse and quickly gives the signal to the militiaman guarding the entry to the area assigned to the defense council: "The birds are coming!"

Without wasting an instant, the militiaman leads him down the narrow stairway linking the underground facility with the surface. Once there, the head of the zone greets him and, along with the entire council, hears the report in which the farmer gives data received by the radio unit concerning a group of air targets headed in that direction.

An air alarm is ordered. Bells, sirens, empty shells and other noisemakers sound the alert throughout the region. Without hesitation, farmers from everywhere run to take refuge in shelters built and equipped for just such a situation.

Only militiamen and members of production and defense brigades responsible for anti-air defense occupy posts next to combat installations prepared for the attack.

Air observers also remain at observation posts at all times, camouflaged in areas best enabling them to discover the presence of the enemy at great distances and determine the approximate flight path, speed, altitude, number and type of aircraft, and any other data of interest.

Using binoculars and other observation equipment, they scrutinize the skies in the direction signaled by the radio units as the likely origin of the first birds.

After a few seconds, tiny, black dots indeed appear on the horizon, moving rapidly and in formation. Based on their path, they should be over the zone in a matter of instants. One, two, three: Everything corroborates the information received. Five enemy helicopters appear, certainly for the purpose of landing troops on a small plain near the zone and particularly well suited for the purpose. This is reported.

Exploration of the air enemy, as an integral part of the country's single exploration system, was the first part of the mission carried out to the letter. All necessary information is received in the zone, rapidly and precisely. During the fighting, there will be other tasks, equally important and complex.

In the conception of the war of all the people, this single system of exploration has incalculable potential in defense zones. Not losing sight of the enemy becomes the task of every man, woman and child, young and old alike.

The slightest information about the enemy may be of great aid in the discovery of plans and future actions. Data reaching the defense zone are immediately transmitted through channels to military organs responsible for processing such information and reacting to any situation.

The air observers are not the only part of the system. In order to detect the movement of the enemy on land, observation posts are situated in places difficult to spot, but which permit great visibility. The zones also have scout patrols made up of several militiamen or members of a production and defense brigade.

Ambushes and minor skirmishes in which prisoners are taken and maps, plans and equipment are taken from the enemy are also forms of exploration that can be used during the people's struggle.

Inferno

Our skies will turn into an air inferno when the enemy tries to use them to attack us. Along with the rockets, projectiles and other means of the regular anti-air defense troops will be the rockets, projectiles and other means belonging to the People's Anti-Air Defense, most of them the fruits of the skills of our workers.

Anti-aircraft artillery belonging to the small MTT [Territorial Troops Militia] in defense zones will commence firing. They will be joined by groups of sharpshooters, militiamen and members of the production and defense brigades, who will fire their infantry weapons in an organized fashion.

The militia "archers" will also activate their weapons and the anti-aircraft rockets will whistle toward their targets. Fire support composed of the assembly of several infantry rifles aimed at the same target will wreak havoc among attacking air targets.

Grenades, rocks, shrapnel, shells and explosive materials of all types will storm through the air in the designated direction when the men and women of the people activate the mechanisms of the dirigible explosives, flammable shells, grenade launchers and other anti-air weapons designed and built in the local defense zones.

Then the vultures' masters will understand their principal error: The Cuban skies are off limits to attackers.

11,464
CSO: 3248/246

MININT TV PROGRAM FOCUSES ON 'DELINQUENT' BEHAVIOR

Havana BOHEMIA in Spanish No 5, 31 Jan 86 p 78

[Article by Ilse Bulit]

[Text] One of man's most extraordinary powers is that of being able to daydream. Transcending trifles, he crosses oceans of time, envisioning miracles he can perform with his own hands. Sometimes, this power carries him too far.

He falls into the trap when, full of illusion, he asks: Why are there still criminals after 26 years of the revolution? His illusions are even greater if he only blames the past for creating the circumstances, for we, the authors of the present, are also partly to blame.

Knowing that with "Well Worth the Trouble" one has the return to the television screen of the men and women of the MININT [Ministry of Interior], who on different fronts defend the nation's stability, is the most relevant quality of this series of expressive forms "burned" by time, despite the painful vogue of the Baldomeros.

This original series by Luis Adrian Betancourt, directed by Jesus Cabrera, lacks that touch of life, the feeling of what is lasting, although it is a fine example of television work.

Perhaps its genesis lies in the basic concept that evil always pays, that the good always win out in the end. Sooner or later, without any doubt, right will win the battle, but it will take its lumps along the way.

In order to be prepared for such fights, have our eyes open and not be guilty of the unhealthy practice of not doing but allowing others to, a confrontation with the truth is most advisable.

Based on this elementary concept, the creation of the characters became rigid, erecting a barrier obstructing total affectionate and respectful communication with positive heroes, while the evildoers came off live, without awakening the anger that those despicable beings deserve.

If one analyzes the history of Cuban television, there have been milestones in every phase, performances contained in "Motive 8," "Sector 40" or "It Had To Be in Silence." These intervals began in the 1960's. Today, in 1986, they can no longer use the old, expressive language, "burned" like a good agent that must assume other responsibilities.

A Canadian series, "On the Other Side of the Street," found favor with the public even though it did not feature sensational action with screeching tires and karate shouts. Why was this so?

The concrete vision of a society emerges on the screen in actions and characters delineated in a human way. The cop and the criminal are on different sides of the street, but they breathe the same air. Every chapter makes one reflect. Reality intertwined with the melodrama moves one to think.

Let us then analyze our own problems. In order to keep the Baldomeros from flourishing, one must present the punishment of such events, but also the causes, the good and the bad that are part of all of us.

Let us hail the return of such a line to television. It is well worth the trouble because of the educational aspect that regains the rank that characterized it at a specific creative moment.

11,464
CSO: 3248/246

LEFTIST PARTIES SEEK UNITY FOR ELECTIONS

PA201747 Quito Voz de Los Andes in Spanish 1130 GMT 18 Feb 86

[Text] Dr Rene Mauge Mosquera, leader of the Leftwing Broad Front [FADI], has proposed the unification of the country's political forces to face election processes.

[Begin Mauge Mosquera recording] In its latest national congress and in the most recent meeting of the expanded board of directors of FADI, in January, our front called for the unity of all the democratic and leftist forces in the country.

Unity implies willingness from more than one party. It requires the willingness of the various parties desiring unity. We have been calling for unity, based on specific objectives. We are prepared for unity in the forthcoming elections with the clear objective of producing a change in the cooperation of forces in the national congress, to have congress pass laws that will benefit the people and defend our resources, to have congress fulfill its job as overseer of the Executive Branch. If the objective of defeating the oligarchy is clear [2-second break in transmission] this will be possible through the unity and alliance of the democratic, progressive, and revolutionary forces of Ecuador. [end Mauge Mosquera recording]

/12232
CSO: 3348/454

ECUADOR

BRIEFS

NO DEVALUATION, FUEL PRICE HIKE--Yesterday, receiving a decoration from the National Finance Corporation, President Leon Febres Cordero said: Regardless of their importance, whoever tries to take advantage of the current situation and engage in speculation and abuse of power should realize that this government will use the law to stop them, aware that there is no better asset that the well-being of the people. The president announced that there will not be a devaluation of the currency nor a gasoline price hike. He scored those who unnecessarily provoke panic and those who speculate in dollars. He also appealed to the private sector. Febres Cordero said: Today more than ever, the private sector must understand that its capability to produce wealth must be at the service of the nation. He added that the country must unite to achieve national goals, that everyone should look beyond personal interests and work for the fatherland without egoism or resentment, and that we must do the best we can today because the future of our children depends on it. [Text] [Quito Voz de Los Andes in Spanish 1130 GMT 18 Feb 86 PA] /12232

CSO: 3348/454

GRENADA

BLAIZE STAND ON, EFFECTS OF CIVIL SERVANT SICKOUT DETAILED

Government's Position

Port-of-Spain TRINIDAD GUARDIAN in English 24 Feb 86 p 5

[Text]

ST. GEORGE'S, Feb. 23, Cana — GRENADA GOVERNMENT has warned of cuts in the Public Service, if civil servants go on a one-week sick-out tomorrow to back demands for increased wages. Prime Minister Herbert Blaize said in a nationwide broadcast that if the unions went ahead with the sick-out, his administration would implement the recommendations of a group of British consultants, who said the Public Service needed trimming.

He described the decision by three trade unions to order 3,000 public workers to take the protest action as regrettable. Mr. Blaize said he hoped that those people were prepared to stand by the consequences of their actions.

He also called on the more responsible members of the unions to ensure that their representatives resume negotiations with Government, in the hope of finding a solution to the impasse.

The study revealed that there were 1,100 redundant posts within the service, costing the government $6 million each year, in addition to a significant degree of sub-standard performances by some civil servants.

Grenada Union of Teachers (GUT), Public Workers' Union (PWU), and Technical and Allied Workers' Union (TAWU) are demanding salary increases of 30 per cent for last year, along with an average weighted increase and fringe benefits for this year.

Government told the unions, before negotiations broke down, that there was no money to pay increases for 1985, and it would prefer negotiations on increases for this year, to begin only after it had fully analysed the report from the consultants.

Mr. Blaize said the increases sought by the unions for last year amounted to $15.7 million, and would result in Government not only having to borrow the money, but to increase the burdens on taxpayers, which it was against.

$100m Collected

"We cannot succumb to the temptation of paying unjustified backpay of $15.7 million for 1985 to public workers, as this would inevitably frustrate the goal of a balanced Budget in three years' time," he added.

He advocated restraint on the part of the unions, so that the Government could continue its policy aimed at allowing the country to be "in a position to pay our way." Mr. Blaize said that in 1985, the Government collected $100.5 million in revenue.

Of the money spent last year, he said $55.4 million went to wages and salaries, a further $5.1 million to pensions, $25 million to public service debt, and only $29.6 million to providing essential services.

Mr. Blaize stressed that public workers who received an 11.25 per cent increase in wages for 1984, were not subjected to any hardship last year, even when inflation was taken into account because of tax relief measures in the 1985 Budget.

He said if the Government was allowed to continue with its policy of lighter taxes and a lowering of the cost of living, "then we can bring some more positive relief to taxpayers across the country this year."

Effectiveness of Action

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 5

[Text]

ST.GEORGE'S, Feb.24, Cana — A SICKOUT by public servants forced the closure of schools and some Government departments today, a union spokesman said. Three public sector unions have been urging Government to begin negotiations for a new pay agreement.

The unions are particularly annoyed that Government has rejected a request for salary increases for 1985, on the grounds that it has no money.

The Herbert Blaize administration also wants to postpone pay contract talks until it discusses a report by British consultants recommending sweeping job cuts in the public sector.

Spokesman for the Public Workers' Union (PWU) claimed that the sickout had been 80 per cent successful, and all schools and some Government departments were closed. He did not say how long the industrial action would last.

He said it had been postponed because of last week's historic visit by President Reagan.

"We did not want to embarrass the Government and spoil the occasion of the President's visit," the spokesman said, "so we waited until it was all over."

Grenada Teachers' Union and Technical and Allied Workers' Union are the other two unions involved.

Grenada's estimated 3,000 public employees received no salary increases last year, and the unions had asked for a 30 per cent, across-the-the board raise for 1985 and a weighted average 30 per cent increase in 1986.

The spokesman said Government had proposed that certain suggested fringe benefits be taken into account in arriving at an increase for this year, but this was unacceptable to the unions.

On February 3, the unions gave Government an ultimatum to begin negotiations by February 11, or the unions would feel free to take whatever action they see fit.

/9274
CSO: 3298/356

MLN, SANDOVAL END DISPUTES, PLAN STRATEGY

Guatemala City PRENSA LIBRE in Spanish 24 Jan 86 p 4

[Text] The differences that existed between the National Executive Committee of the National Liberation Movement [MLN] and secretary general Mario Sandoval Alarcon were settled yesterday, after an hour-long meeting held at the residence of MLN's top-ranking leader, in zone 9 of this city, starting at 1700 hours.

At the conclusion of the meeting, which was attended by the MLN deputies in a bloc, they released a communique in which they declare that, as of that date, all the party's decisions and resolutions will be made by a majority of the National Executive Committee and not unilaterally, as they were previously, when made by the secretary general.

In addition, they agreed that any party publication would be authorized by the National Executive Committee. No longer will anyone speak on behalf of MLN, as they had in the past. All such statements will be made on a personal basis. The Executive Committee will have its spokesman, who will be announced at a suitable time, and who will be appointed to that position.

At the meeting, confidence was confirmed in all the members of the National Executive Committee and in the bloc of deputies to the Congress of the Republic. The rank and file must be notified of the results that have been attained, and of the fact that the confidence placed in the members of the National Executive Committee was confirmed.

They also decided that MLN's National Assembly will take place during the first 2 weeks of March of this year, to elect the new National Executive Committee, the Court of Honor and Discipline, and other leadership bodies, such as the political council, MLN's consultative council.

Those attending described it as historic, because they held direct dialogue concerning their differences, and were not in separate groups, as they had been during the past few days. They noted that the results benefit both the party members and Guatemalans; because there will be more unity in the decisions that are made henceforth, which will not be unilateral.

Satisfaction

At the end of the meeting, Deputy Hector Aragon Quinones, assistant secretary of MLN and third vice president of the Congress of the Republic, voiced his satisfaction at the positive results accrued, proving that there was political maturity and that solid unity exists in the party, because everyone wants to consolidate MLN and not harm it.

"We are gratified that the decisions will be made by consensus and a majority; we confirm the leadership of Sandoval Alarcon and his capacity as general director, which no one has disputed. The meeting was cordial, as they always are in MLN.

"Unity still exists; it will be possible to hold extensive discussions; there can be differences of opinion but, when decisions are made, it will be through consensus and a majority."

In conclusion, he reiterated the unchanging friendship with Sandoval Alarcon, which remains the same, with the same respect and affection, and perhaps with greater consolidation; because mutual respect between two men is consolidated further when they think differently but are sensible in politics, ready to sit down and hold dialogue, and reach an agreement for the good of the party and the country.

"When anyone receives offers of a position to work with DC [Christian Democracy], it will have to be the committee and secretary Sandoval Alarcon who make the decisions. We emphasize that participating in a government does not represent ideological or political reneging. We must think of the party and of our people who are suffering from anxiety and unemployment, and of how they could be helped, but we want to maintain the party's unity.

"The people who took pleasure in MLN's division and certain members of the press were enjoying themselves. With this interpartisan discussion, they will be greatly disappointed, when they learn about the respect that the Executive Committee has for Sandoval Alarcon; and we retain the hope of forming a government for the good of the country some day."

A Clean Slate

"We have arrived at a fortunate solution, after holding dialogue regarding the differences which naturally occur in a party. There were certain views wherein we disagreed, which caused the problem, but we talked, and everything has been resolved.

"I didn't consider it feasible for the party to have them hold positions on the board of directors of the Congress and others, if they were offered to them, in the DC government; but the majority decided the opposite. If they hold a position, it will be a personal responsibility.

"Division in a party is harmful; for the sake of unity, we must set aside personal positions, and act with complete responsibility."

2909
CSO: 3248/260

CONGRESS ELECTS FOUR SUPREME COURT JUDGES

Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 4

[Excerpt] The Congress of the Republic yesterday elected its four judges to the Supreme Court of Justice in accordance with the terms of provisional Article 10 of the Constitution of the Republic.

The judges chosen, with 86 votes in favor from a quorum of 86 deputies, are attorneys Edmundo Vasquez Martinez, Alfonso Branas Castellanos, Mario Pellecer and Marco Tulio Molina Abril.

The four judges were proposed by deputies from the Christian Democracy Party.

Deputies from all parties supported their nomination through speeches by several of their members, who pointed out the qualities of the attorneys, their abilities and honesty, which drew support from the other deputies.

In addition, Deputy Oscar Rivas of the PID [Democratic Institutional Party], proposed as a candidate Hugo Pellecer Robles, and Representative Salvador Acevedo of the UNC [Center Party] proposed Oscar Barrios Castillo, also an attorney.

Since the result of the voting was an overwhelming majority of the four elected, no vote was taken on the last two.

The declaratory decres is number 4-86 and was issued without a second reading on the basis of national urgency.

Alternate Deputies to Be Seated

The secretariat informed the plenary that the Supreme Electoral Tribunal had sent a note indicating alternate deputies to replace three titular representatives who requested permission to assume important positions in the Executive Branch.

The alternate deputies, who will be sworn in and take their places today, are: Francisco Lopez Vidaurre, replacing Rene de Leon Schlotter; Francisco Colop, replacing Catalia Soberanis; and Guillermo Enrique Villar Anleu, for Hermes Marroquin.

Vasquez Martinez Not an Official Candidate: Cabrera

"An interesting report was published by one communications medium, to the effect that Dr Edmundo Vasquez Martinez is the DC's official candidate for president of the judicial body," Deputy Alfonso Cabrera, president of the Congress of the Republic, said yesterday.

"As a contradiction to the aforementioned publication, when his candidacy for judge of the Supreme Court was proposed in today's session, it was supported by all sides. Not only deputies from the DC, but those from all parties emphasized his personality and abilities and praised his qualities as a jurist.

"That result is a categorical denial of those statements. It means that it is official from any party, opposition or government."

8735/9869
CSO: 3248/254

GUATEMALA

HOMELESS OCCUPY GOVERNMENT LAND

Emergency Council Created

Guatemala City PRENSA LIBRE in Spanish 24 Jan 86 p 6

[Text] It has been officially reported that the government created an emergency council yesterday to solve the housing problem in this capital and in the departments, so as to prevent invasions of private land in the future.

Julio Santos, public relations secretary of the presidency, declared yesterday that this commission is made up of leaders of various government institutions and representatives from the private sector.

Thus, the council is comprised of architect Hermes Marroquin, secretary of economic planning; Joaquin Martinez, from BANVI [National Housing Bank]; Rene de Leon Schlotter, minister of development; the priest Hildebrando Cumes, and Jorge Cumes, from non-state agencies; as well as Col Hermann Grotewold Cerezo, from the Reconstruction Committee.

According to Santos, a few days after having assumed the executive office, President Cerezo initiated a major step, namely, that of providing a concrete response, within a short time, to thousands of fellow countrymen who lack suitable dwellings for their family members.

It involves devising a plan of action this year, to supply plots of land with essential public services as well as other facilities for building economical housing for many Guatemalans, both in this capital and in the departments.

At 2100 hours today, the national radio network TGW will air a detailed report on the goals of the emergency council for resolving the housing shortage.

Government Policies Criticized

Guatemala City PRENSA LIBRE in Spanish 24 Jan 86 p 10

[Editorial: "The Land Invasions Show the Failure of the Administrative Policy"]

[Text] Immediately after the earthquake of 4 February 1976, taking advantage of the international aid that the government and various private entities were receiving, an official policy was initiated aimed at healing the nation's physical wounds, and there was a great deal of publicity regarding activities aimed at that goal. According to one of the candidates, the 1978 election campaign made it possible to reveal that the international effort had not been channeled properly.

There was an underlying desire to make use of the disaster for the purpose of reconstruction and, at the same time, for the partial or total solution of the housing shortage problem that has beset the country for a long time. Of course, the situation did not arise as a result of the earthquake; the latter was a phenomenon that exacerbated it to a highly disastrous extent. The lack of reliable statistics has never made it possible to learn exactly how many Guatemalan families lack their own dwelling. But what can be asserted, with statistics or without them, is that, instead of declining, that critical feature in the lives of the population has increased impressively.

There are factors, such as the irrepressible impoverishment of the so-called popular sectors as a result of the demographic overflow, and the increasingly unsatisfactory administrative effort. Books, pamplets or flyers are not required to understand the situation. It is depicted in all its glaring sadness by the invasions of private or state-owned land which reached their seventh day of unrest yesterday, with an attempt to usurp properties in zone 18. The isolated opinion of certain officials, who claim that the hand of some political group lies behind those mass demonstrations, may have some grounds. If the problem had not remained a latent one among the traditionally alienated sectors, no political party would be capable of mobilizing hundreds and thousands of people seeking a plot of land so as to lodge their poverty there. The social problem does exist; it is not antigovernment fiction. It is a reality which must be coped with, beginning with a thorough study of what the state has done to mitigate it.

The private land invasions that have occurred in the capital during the past 2 weeks, just like those committed years ago on land bordering El Mezquital, for example, show that an overall policy is needed to prevent this from becoming an uncontrollable situation in the future, as might be expected in the light of recent events. Isn't that what happened in the case of the aforementioned settlement? The legitimate owners have attempted to have their rights upheld, but this has been futile.

It might be claimed that for Guatemala, just as in the case of most underdeveloped countries, the idea of satisfactorily solving the people's housing problem is unattainable; because the population is increasing at a rate exceeding any economic possibility of financing the services required by that phenomenon. Because it is not housing alone that is involved; also, and fundamentally, it entails the other facilities indicated to allow for the development of human life under acceptable conditions. Apart from this, to speak sincerely, what the governments have done to solve those problems is not commensurate with what has been stolen from the national treasury during recent decades to make officials of all types wealthy. What the people expect now, as a beginning, is that the latter will end and the former begin, with better prospects.

2909
CSO: 3248/260

CEREZO ORDERS INCREASE IN MONEY SUPPLY

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 29

[Text] Yesterday, at a press conference held at the presidential residence, President Cerezo remarked: "The government will have to continue making use of the little money-making machine at the present time, because there is a deficit in the budget and the salary increase for public employees in approaching."

When asked whether there were sufficient funds to raise the salaries, and whether this would prompt the use of the so-called "little machine," the president said that, at the moment, it would be impossible to stop using that little machine.

The chief executive emphasized: "I cannot claim that we are going to stop using the little machine, because we have a deficit of 500 million quetzales, and, at present, if we were to reduce the use of the little machine, we would have to dismiss most of the public employees.

"We could not invest in the rural areas to provide employment. There is no recourse now other than to try to operate with the deficit, because our concern is not a fiscal or monetary issue; rather, we don't want to raise unemployment, nor to heighten the problems among the people. On the contrary, we want to solve all those problems.

"Nevertheless, you will learn the combined measures and responses to all these questions when we submit the general bill. I think that, during February, we shall hold discussions with the trade unions and private enterprises, and listen to the population's views; and then we shall submit our bill for economic stabilization."

Cut in Confidentail Spending

President Cerezo also noted that, for the salary hikes, it would be necessary to cut all the spending considered to be confidential, as well as representational expenses.

He continued: "That's a fact; the government will not halt investment-related activities, because there is a need to build highways and to develop educational and health programs." In conclusion, the president of the republic commented that the salary increases might go into effect as of March.
2909
CSO: 3248/266

GUATEMALA

CUSTOMS OFFICIALS CHARGE TARIFFS RESTRICT TRADE

Guatemala City PRENSA LIBRE in Spanish 25 Jan 86 p 2

[Text] The existence of prohibitive taxes, such as those contained in Decree-Laws 149-85 and 3-86, only curtails the importing of essential goods which generate employment and labor, etc., and they tend to encourage large-scale smuggling.

The foregoing statement was made by a delegation from the Corporation of Guatemalan Customs Agents, which arrived at the congress of the republic yesterday to exchange views with the congressional investigating commission that is studying the seven decree-laws relating to federal taxes issued by the de facto government before its conclusion.

The delegation from the aforementioned corporation included the Messrs Efrain Recinos, Francisco Lopez, Alfredo Vi- [words missing from text] necessitates calculating the import text in accordance with the dollar exchange rate set by the Bank of Guatemala.

They noted: "The taxes are created in order to allow the state to be provided with revenue to carry out its programmed activities. But the prohibitive levies force the importer to halt imports because, procuring raw materials under such abnormal conditions causes the costs to be excessively high and the consumer not to purchase them, even though they may be essential products, such as medicines, food, etc. In other words, his purchasing power declines as a result of the products' high cost."

As an example, they cited the fact that, in importing raw material that does not appear essential, with 5 percent customs duty and without the application of Decree 149-85, the amount for customs duties would be 500 quetzales; based on Decree 96-84, it would be 5 quetzales; and for the VAT, 735.35 quetzales; making a total of 1,240.35 quetzales.

For the same imports with application of Decree 149-85, 1,413.96 quetzales would be paid for customs duties; based on Decree 96-84, the cost would be 5 quetzales, and for the VAT, 2,078.88 quetzales; making a total of 3,497.84 quetzales.

The difference between the one payment and the other represents a 282 percent increase with the application of Decree-Law 149-85.

Another example given is that of the importing of a medicinal product, based on the customs duties in the new tariff, and on documents with a CIF value of 14,000 quetzales: for customs duties, 2,100 quetzales; Decree 96-84, 5 quetzales; and the VAT, 1,127.35 quetzales; making a total of 3,232.35 quetzales.

With the application of Decree 149-85, the customs duties would be 5,928.63 quetzales; based on Decree 96-84, 5 quetzales; and, for the VAT, 3,187.42 quetzales; making a total of 9,131.05 quetzales. The increase amounts to 280 percent.

2909
CSO: 3248/266

GUATEMALA

POPPY PLANTATIONS DISCOVERED IN SAN MARCOS

Internationally Financed

Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 15

[Text] The Treasury Guard dealt another blow to the drug traffic upon discovering and seizing a plantation containing 215,000 poppy shrubs, in the village of Villa Hermosa, Esquipulas, Palo Gordo, in this department [San Marcos]. The plantation was valued at 22.36 million quetzales, and was discovered on 31 December, when the brothers Trinidad Guadalupe and Cipriano Miguel Lopez y Lopez were captured, as was Juan de la Cruz Lopez de Leon. Specifically, it was located on the Las Vegas mountain, on the banks of the Mopa River which has its source in the Ixtagel and Canoas mountains. The plantation was destroyed, and only one shrub was submitted as evidence to the San Marcos justice of the peace office, where those captured were turned over. At the end of last September, Treasury agents seized, in the same village, 12 manzanas of land planted with 326,436 poppy shrubs, valued at 33,959,286 quetzales and 40 centavos. On that occasion, eight individuals were captured, who were charged with being the owners of the poppy plantations. The authorities believe that international drug traffickers are financing these poppy plantations, because, owing to the mountainous nature of the region and their easy deployment toward Mexican territory, due to the closeness of the border, the poppies can be removed to that country, where it is believed there are clandestine laboratories for the raw opium extracted from the poppies. Treasury authorities noted that over 35 alkaloids are extracted from the opium.

Further Discoveries

Guatemala City PRENSA LIBRE in Spanish 10 Jan 86 p 7

[Text] Another poppy plantation was discovered by the Treasury Guard in the Coatan Canton, in the village of Tojcheche, San Marcos; and the value of this plantation, on Fernando Morales Ramirez' land, has been reckoned as a quarter of a million. The police establishment in San Marcos said that the new poppy plantation is part of the network of plantations which are used by the drug traffickers to send the seed to Mexico, where it is processed and converted into opium, according to accounts given by those indicted for this crime. Based on calculations made by Treasury Guard experts, the value of the plantation could amount to 55 million quetzales. The search in uncultivated areas has proven successful, from September 1985 until 9 January 1986. Insofar as the penalties for those responsible are concerned, they will be decided upon by the courts in the jurisdiction in which the confiscation has taken place.

2909
CSO: 3248/198

GUATEMALA

BRIEFS

SANTOS NAMED PRESIDENTIAL SPOKESMAN--Julio Santos will be secretary of public relations for the presidency of the republic, it was confirmed last evening by President Vinicio Cerezo in an interview with reporters at the National Palace. In brief statements to the press, the chief executive confirmed what had been rumored for several days. Mr Santos has been chief of the supplements section of PRENSA LIBRE for some time. His work has been dependable and perceptive, particularly in matters related to national politics, which has earned him praise in many circles around the country. Santos has also been director of the University of San Carlos Journalism School. He was a candidate for rector of that academic institution and has worked in several of the country's communications media. [Text] [Guatemala City PRENSA LIBRE in Spanish 18 Jan 86 p 6] 8735/9869

BUCARO HEADS INTA--Agronomic engineer Gustavo Adolfo Bucaro took over the presidency of the National Institute of Agrarian Reform on 20 January, replacing zootechnician Fredy Fernando Gamas Rosal. Taking over as first vice president was Jaime Gonzalez Estevez, an engineer, replacing Sergio Hernandez Catalan, who had worked for several years at the institute. Pablo Roberto Castellanos, an accountant, was named second vice president. He joined INTA in place of Rolando de Leon Cuellar, a professional who served the agency for many years. The arrival of these new INTA officials marks the beginning of a new era of service to the peasants, which will be characterized by the fact that its functions will now be carried out under a civilian government, a situation offering greater advantages in broadening the work the institution has been doing since its establishment. Outgoing President Gamas Rosal did a brilliant job, considering that because of the country's economic austerity for some years now it was not possible to construct schools and to train the peasants. [Text] [Guatemala City PRENSA LIBRE in Spanish 23 Jan 86 p 9] 8735/9869

CSO: 3248/254

PNC SENDS TWO DELEGATES TO CUBAN PARTY CONGRESS

Georgetown NEW NATION in English 9 Feb 86 p 2

[Text]

Two members of the Central Executive Committee of the People's National Congress are now in Cuba to represent the Party at the Third Congress of the Communist Party of Cuba. They are Cuban-trained Dr. Richard Van West-Charles, Health Minister, and Cde Harun Rashid, head of the Department of National Production within the PNC Secretariat.

The Cuban Communist Party regularly sends representatives to PNC Congresses and members of such overseas delegations have had honorary membership of the PNC conferred on them.

The current CCP Congress will discuss, among other things, economic and social guidelines for the next five years.

Speaking recently in Havana about the draft programme at the ninth session of the National Assembly of People's Power, President Fidel Castro said "It will be a good programme that will reflect many of our experiences and it will be enriched by the contributions of all Party members and the people as a whole. I think the conditions for the Congress are ideal. It will be a timely [illegible] Congress at a timely moment."

The Guyanese representatives to Congress will be able to see the reconstruction work being undertaken after the devastation caused by Hurricane Kate which razed every banana plantation and hit eight provinces precisely when the sugarcane was growing well and was ready for the beginning of harvest.

The tens of thousands of people whose homes were affected by the hurricane, saw the socialist state act as it always does in such cases, rushing to help them, providing them with construction materials at half price and granting credits to rebuild their homes.

Fidel has compared the Cuban situation to that of other countries, including some developed countries, and noted that considerable progress has been made in the co-ordination of plans with most of the socialist countries.

He noted that "many visitors are very impressed by what they see in Cuba despite all the lies and adverse campaigns which have been carried out against Cuba."

/9274
CSO: 3298/357

GUYANA

PAPER DEFENDS CARICOM POSITION AT MUSTIQUE MEETING

Georgetown GUYANA CHRONICLE in English 4 Feb 86 p 6

[Editorial: "Public Nonsense"]

[Text] Sadly, the decolonisation of some minds is not complete. Even more sadly, we see evidence of attitudes and behaviour which are unmistakably influenced by our colonial past.

And this is grievous in view of the expectation that after the attainment of independence, such thinking and attitude would have withered away by now.

It is for this reason that at both the formal and ideological level the Government has sought to ensure that our thinking and approach to national questions are free of the taint of colonialism and imperialism. For independence did not only mean the freedom to fashion in our own path to development; it meant and must mean the capacity for independent thought.

But colonialism seems to have claimed more souls and minds than we dare expect.

The Catholic Standard, in a front page story in its issue of February 2, has graphically proven this thesis.

By now, those of us who read the Catholic Standard must have viewed with consternation the allegation made therein that the Mustique meeting of Caricom Heads of Government, which President Desmond Hoyte attended, was the result of the intervention of a foreign power. The allegation was specific in the case of our Caricom sister States which were represented at the meeting. It is contended that these States were instructed to meet with President Desmond Hoyte.

We reject, on behalf of the Caricom States, the implication and notion that they lack the capacity for independent thought and action.

We reject the claim that decisions taken about Caricom by Caricom leaders must perforce come from sources external to this region.

We must forcibly reject that both politically and philosophically the Caribbean leaders, who were present with President Desmond Hoyte at Mustique, are not aware that they have the right to initiate foreign policy measures in the interest of their Governments and Peoples.

In 1972 Caricom did not request permission of any foreign Cabinet to recognise the Caribbean Republic of Cuba. Or has the Standard conveniently forgotten?

Pascal has said that to understand is to forgive. The Catholic Standard is not forgiven, but the dilemma it is in is readily understood. It has used much of the paper it is given to tell its few readers that the often canvassed isolation of Guyana was so complete that Guyana could not continue to be part of the Caricom Family; that Guyana would be dragged unceremoniously before the Bench of Caricom Justice and tried; and that the Leaders of Caricom States wanted nothing to do with our Leader. This was and is nonsense and the Catholic Standard knows it.

Then came the Mustique meeting which shattered the Catholic Standard's illusion. Its illusions destroyed, the Catholic Standard responded by seeing a hidden hand in the direction of Caribbean affairs, in much the same way that the people of the Middle Ages divined the work of the Devil in most happenings.

The Rev Jesse Jackson, in describing his difficulties with the Press during the last American election campaign, told this informative story.

He said that, according to the American Press, if the Pope walked on water it would be said that he has divine powers. If he, Jesse Jackson, did the same thing he would be accused of showing off.

As far as the Catholic Standard is concerned Guyana's glory is reason for weak journalism.

/9274
CSO: 3298/357

GUYANA

HOYTE DEPICTS DYNAMIC ECONOMY IN SPEECH TO PARLIAMENT

Report on Parliamentary Figures

Georgetown GUYANA CHRONICLE in English 4 Feb 86 pp 1, 7

[Text] Seventh persons yesterday afternoon took the oath of office as members of the National Assembly, as the Assembly met for the first time in the First Session of the new Parliament.

Among those taking the oath were Cde Sese Narain, who became a non-elected member of the Assembly following his re-election for another term as Speaker, at the start of yesterday's business sitting.

And in keeping with a tradition of a Minority member being elected Deputy Speaker, Cde Reepu Daman Persaud, an elected member for the PPP, was elected to the post.

The Speaker was elected unopposed on a nomination by Prime Minister Hamilton Green and seconded by UF Leader Marcellus Feiden-Singh, while the Deputy also elected unopposed, was nominated by Vice-President Mohamed Shahabudeen and seconded by Mr Failden-Singh of the UF.

Crowds gathered around Public Buildings, witnessing the arrival of the Members of Parliament, and later listening to the proceedings broadcast by public address systems from Parliament Chamber.

Supporters of the PNC staged a picketing exercise, highlighting the popular support for the PNC, as reflected in the results of the last elections.

Invitees and others who managed to gain positions in the limited spectator accommodation in the Parliament Chamber and corridors outside were able to witness the proceedings of the sitting in the refurbished Chamber.

Yesterday's first sitting of the Assembly in the Fifth Parliament was opened by Clerk of the Assembly, Cde. Frank Narain reading the President's proclamation, summoning the sitting.

Sixty-seven of the 72 elected and non-elected members of the Assembly then answered the roll call, PPP's Janet Jagan being absent, WPA's Eusi Kawayana and PPP's Cyril Belgrave arriving after the roll call, and Ministers

Winston Murray and Richard Van West-Charles being granted leave from the Assembly.

Cde Narain, who has served as Speaker since 1971, this being his third re-election of the post, noted that 31 of the previous number of M.P.s are not back, while there are 32 new members, and 40 continuing members.

He expressed a special welcome to WPA's Eusi Kwayana, who, although his party is in Parliament for the first time, was a member of the Assembly in 1953 in the then PPP Government.

Kwayana, and the UF members Marcellus Feilden Singh and Michael Abraham are the three members of the Assembly who will be addressed at sittings at 'Mr' Other members will be referred to as "Comrade."

Among the events in the Chamber which stirred extra interest among the spectators was the swearing in of Enerva Trotman, a member who is a rastafarian, wearing the distinctive hairstyle of the sect.

Text of Hoyte Address

Georgetown GUYANA CHRONICLE in English 5 Feb 86 pp 1, 4-5

[Text] PRESIDENT DESMOND HOYTE yesterday outlined to the National Assembly several measures to be taken by Government to infuse dynamism into the national economy and improve the quality of life of citizens.

Delivering the traditional address at the ceremonial opening of the First Session of the Fifth Parliament, Cde Hoyte told the members they should stand up for Guyana by the quality of the service they give to the Guyanese people and by their personal example of genuine patriotism and unselfish commitment to the cause of Guyana.

"We have today in this great country of ours, something of value. Let us cherish, defend and preserve it", President Hoyte said.

Cde Hoyte was addressing the Assembly for the first time as President, and as a non-member, having ceased to be a member when he ascended to the Presidency in August last year. He was previously a Member of Parliament for sixteen and a half years without break.

Cde Hoyte's address was chockful of information about far-reaching and enlightened decisions taken by the Government and new initiatives being pursued or to be pursued in the immediate future with a view to moving the nation forward into an era of sustained prosperity.

DRUG ABUSE

He announced that severe legislation will be laid in the National Assembly to deal with a recent high incidence of drug abuse.

In addition Government will be undertaking a programme of law reform and will be introducing hire purchase legislation as part of a comprehensive set of laws to protect consumers. It will also take steps to depress the prices of agricultural produce without affecting the returns to farmers.

The Government will also:

- propose reforms to modernise Guyana's laws and procedures relating to matrimonial causes and matters involving family and domestic relations;

- put in place a comprehensive package of measures intended to increase the real income of workers, improve their morale and create easier and better conditions of life for them;

- table in the National Assembly a policy paper on land to the tiller;

- amend income tax laws to permit the income of a working wife to be taxed seperately from that of her husband;

- provide workers with greatly increased benefits from the National Insurance Scheme;

- bring a substantial measure of relief to Government pensioners, "some of our most worthy citizens";

- **pay increased stipends and allowances to Members of Parliament;**

- **ensure that public corporations function under public scrutiny;**

- **establish a system of national awards for business entities which achieve a high level of performance in accordance with set criteria; and**

- **encourage non-Governmental organisations to assume greater responsibilities and play a fuller role in national life.**

Cde Hoyte noted that the prevailing mood of optimism in Guyana is a valuable asset " for facilitating the forward movement of our country" and said the Government intends to foster this mood by paying judicious attention to the quality of life, among other things, by identifying and removing unnecessary irritants in our society."

It will, he said, be the single-minded objective of the Government to infuse dynamism into the economy by doing everything requisite and necessary to reinvigorate the public, private and co-operative sectors while encouraging individual initiative.

The President said that as Government intensifies efforts to stimulate the national economy (in a world economic situation which continues to be unsettled) it will be targeting for special emphasis and attention, the agriculture, fishery, forestry, manufacturing, mining and petroleum sectors. He stressed the absolute necessity for fiscal prudence and the need for substantial reduction of the public sector deficit.

Cde Hoyte also stressed that Guyana will continue to play an active role in Caricom affairs and will do whatever it can to help strengthen the integration movement as it works with others to achieve the objectives of the community.

In this regard, Guyana will seek to promote joint ventures with, among others, its Caricom partners.

And, noting that in another eighteen days Guyanese will be marking the 16th anniversary of the Co-operative Republic and that in another three months, we will be celebrating the 20th anniversary of our independence, President **Hoyte** said that the years we have traversed have not been without dangers, difficulties, and vicissitudes; but we have also had our full measure of exciting challenges and wonderful achievements.

The full text of Cde Hoyte's speech reads:

Comrade Speaker, Comrades and Honourable Members,

May I at the outset discharge a most pleasant duty of congratulating all of you who have had the honour and privilege of becoming members of this Fifth Parliament of the Co-operative Republic of Guyana. You enter upon your office amid widespread public expectations that, in the spirit of the oath which you took yesterday, your deliberations will be mature, wise and constructive, and that you will dedicate your energies to promoting the best interests of Guyana and all the people of this country.

I wish you a most rewarding tenure of office, great personal satisfaction and outstanding successes in the work you will be undertaking as members of the National Assembly.

May I also take this opportunity to extend special congratulations to you Comrade Speaker and to Comrade Reepu Daman Persaud on your unanimous election to the high offices of Speaker and Deputy Speaker, respectively, of this Honourable House.

It has been noted, that there is no provision in the Standing Orders for the National Assembly to go into recess during the year. Technically, therefore, it is in session throughout the year without a break. It does appear to me, therefore, that it might be useful for members to consider the desirability of having the National Assembly go into recess during the year for a specified period. If this were done, then members may be able to plan their annual calendar of activities, including leave arrangements for themselves and their families, with greater certainty.

• OPTIMISM •

Comrade Speaker, the world economic situation continues to be unsettled, and the consequences for most non-oil developing countries like Guyana are still very severe. The prices of their commodity exports remain depressed, the terms of trade continue to flow against them, and their ability to service their external debt shows no sign of improving.

But we Guyanese have never been a people to sit down and wring our hands in despair. We have been coping with the very difficult economic circumstances with courage and imagination. We have survived.

At this time, in Guyana, there is a pervasive mood of optimism — a confident belief that we have a favourable climate to enable us to escape from the economic doldrums and move forward steadily to more comfortable conditions. It will therefore be the single-minded objective of the Government to infuse dynamism into the economy by doing everything requisite and necessary to reinvigorate the public, private and co-operative sectors, and to give positive encouragement also to individual initiative.

• AWARDS •

Government has been undertaking wide-ranging consultations and will be creating a climate to bolster the confidence of our business community and to expand economic activity. Various measures will be designed, among other things, to simplify licensing procedures and other bureaucratic hindrances to efficiency and facilitate joint ventures with regional and extra-regional partners. A review of the impact of the existing tax regime on the profitability of businesses will be undertaken and, procedures for the granting of fiscal and other incentives will be streamlined. Government, in collaboration with the business community, will be establishing this year a system of national awards for business entities which achieve a high level of performance in accordance with set criteria.

All Government ministries, financial institutions and other public agencies would be — and, indeed, have already been — directed to treat the objective of revivifying the economy as an absolute priority and to give sustained support to the effort.

• OPPORTUNITIES •

The achievement of this objective is, of necessity, a task for all Guyanese working together in a spirit of goodwill and mutual respect. The Government, therefore, will seek to involve the Guyanese people by creating ever-expanding opportunities for them to make their contribution through their various socio-economic organisations — and individually.

Among the most important of these organisations is the Trades Union Congress. Government has been in frequent consultation with the TUC in recent months and will continue to deepen the TUC's role and that of its affiliates in planning and managing the economic life of the country; and the role of professional, service and other organisations in our society will be enhanced.

Government accepts that there are many activities impinging on national development that voluntary and other non-Governmental organisations are better equipped to manage. These organisations will be encouraged to assume greater responsibilities for such activities and play a fuller role in national life.

• PUBLIC SCRUTINY •

For one thing, it is important that citizens develop a greater awareness of the fact that they are the ultimate owners of public corporations. Government will increase its efforts to encourage citizens to evince greater interest in the way these corporations operate and in the quality of goods and services they supply. It is the Government's publicly declared position that, due regard being had to accepted principles of business confidentiality, public corporations should function under public scrutiny. Consequently, the Government will be giving practical effect to this concept of public scrutiny and will be taking the necessary action to establish mechanisms to involve citizens in the task of monitoring the operations of public corporations.

• TARGETING •

As Government intensifies its efforts to stimulate the economy, it will be targeting for special emphasis and attention the agriculture, fishery, forestry, manufacturing, mining and petroleum sectors. The process of consultations has already begun and appropriate policy measures to generate new or renewed activity will be implemented. These will include fiscal incentives, improved marketing arrangements and more efficient supportive facilities, among others.

One area where the prospects appear to be very promising is the petroleum sector. We have been doing much systematic technical work within recent years and, as a result of the attracted possibilities disclosed by the seismic and other data, a Government delegation will be leaving Guyana at the end of this week to hold discussions with leading International oil companies with a view to interesting them in helping to develop our hydro-carbon resources.

• LAND TO TILLERS •

A matter that is fundamental to the nature of our society and crucial to the underpinning of diversified, sustained growth in the agricultural sector is the question of land availability and land tenure. For some months now, Government has been studying this question intensely with expert assistance from the Food and Agriculture Organisation, and is now finalising a policy paper to give effect to Article 18 of the Constitution which requires that land should go to the tiller. This policy paper will be laid in the National Assembly for its consideration in due course, as will be the Government's Agricultural Development Plan, 1986-1989, which has recently been completed.

A substantial segment of our national wealth is represented offshore by the marine resources in our Exclusive Economic Zone. If we are to derive the best possible returns from them, we will have to manage them efficiently. Consequently, Government is preparing a policy paper on the management of our Exclusive Economic Zone and this also will be laid in this Honourable House for its attention.

Comrade Speaker, the Government has been greatly perturbed by the recent emergence in our country of a high incidence of drug abuse. This is a dangerous development that the Government will do everything in its power to combat.

A bill will shortly be laid in this House to deal with certain aspects of the matter. The legislation will be severe. It will propose mandatory terms of imprisonment and heavy fines and, in keeping with recent trends in other parts of the world, it will empower the courts to confiscate property of convicted persons who have been deemed to have enriched themselves by this nefarious activity.

• DRUG ABUSE •

Apart from the enforcement side of drug abuse, the Government is much concerned about preventive and curative aspects of the question. Consequently, there has been established a National Co-ordinating Council for Drug Education chaired by the Comrade Minister of Health to examine the nature and incidence of drug abuse in Guyana, to recommend educational and preventive measures, and to advise appropriate procedures for helping those persons who have become addicted to the use of drugs. We have to deal with this evil in a prompt, vigorous and even ruthless way. Our children and young people are our most precious assets. We cannot invest millions of dollars in educating and training them only to have their bodies and minds destroyed by callous, vicious criminals who entrap them into the use of drugs.

There are some areas of law reform in which we have lagged behind in Guyana. Government now proposes that we should begin to address our attention to some of these matters. Consequently, after appropriate consultations and advice, Government will be taking certain action on this matter. It is Government's view that the victims of violent and other crimes which involve them in loss should be compensated by the perpetrators.

The Government will, therefore, be examining the feasibility of enacting legislation for such victims to be compensated accordingly, and for appropriate procedures to be put in place for such compensation to be recovered from the property of the perpetrators.

Similarly, too, simplified procedures will be proposed to enable the State to recover its losses from persons who have been found guilty of stealing public property or who have damnified the State in other ways. Government will also be introducing hire purchase legislation as part of a comprehensive set of laws to protect the consumer.

• MATRIMONIAL CAUSES •

Most important, too, is the need to modernise our laws and procedures relating to matrimonial causes and matters involving family and domestic relations. Government will be proposing reforms in these areas.

Because of its abiding concern for the welfare of the Guyanese workers, the Government has been monitoring closely the impact of the prevailing economic situation on their standard of living and quality of life. Such monitoring has always enabled the Government to respond with a ready understanding to their representations and to act promptly to ameliorate their conditions within the limits of available resources.

In this context, the Government has been particularly concerned about the unnecessarily high cost of local agricultural produce and other local foods and certain basic items which are important to the well-being of our citizens. Undoubtedly, there has been much distortion of prices in the market place. This is the result of many complex factors; but an important one is the willingness of many citizens to pay high prices for certain contraband goods that are easily available in the streets. This induces an upward pressure on the prices of local produce. Indeed, it is a well-established fact that many vendors of local agricultural produce habitually dump their produce rather than reduce the price.

The Government has been studying this phenomenon and is at present working on certain measures designed to exert a downward pressure on the prices of agricultural produce without affecting the returns to the farmers. The price benefit of the massive increase in agricultural production is being lost to the consumer because the ready availability of, and high prices commanded by, contraband goods in the system have enabled middlemen to manipulate the prices of local produce and maintain them at unjustifiably high levels.

• INCOME TAX •

These matters to which I have referred are only part of a comprehensive package of measures that the Government will be putting in place to increase the real income of the workers, improve their morale, and create easier and better conditions of life for them. In the course of this year, in consultation with the Trades Union Congress, the Government will be undertaking a review of the incidence of income taxation on the take-home pay of workers, particularly those in the lower income brackets.

Additionally, in response to representations from many quarters, the Government will be amending the income tax laws to permit the income of a working wife to be taxed separately from that of her husband. Government believes that this will provide an incentive for wives who are highly trained and skilled to take up employment and assume a more substantial role in the process of national development.

• NIS / PENSIONERS •

In the course of this year, too, as a result of a recently-concluded survey, workers will be receiving greatly increased benefits from the National Insurance Scheme.

In the measures being proposed to ameliorate conditions, Government has not forgotten the just claims of some of our most worthy citizens. I refer to Government pensioners. I am happy to be able to report that Government will be bringing a substantial measure of relief to them, in accordance with discussions held with, and representations made by, their Association.

• M.P.s STIPEND •

It is perhaps appropriate, at this stage, to say something about emoluments of Members of Parliament. It cannot be seriously disputed that their emoluments are unrealistically low. They have not been adjusted over the years in sympathy with improvements made to salaries and wages in the public sector and nationally within recent years. In the circumstances, Government will take action to ensure that the stipends and allowances paid to members of this Honourable House are enhanced, as the justice of the case clearly requires.

• CARICOM •

Comrade Speaker, no country can today isolate itself from the region in which it is geographically situated or, indeed, for that matter, from the rest of the world. Guyana is a member of the Caricom Community. The world economic problems have affected, in varying degrees, the individual economies of our Caricom sister-States and that of Caricom as an entity.

One damaging effect has been the sharp contraction of intra-regional trade. This is the source of great worry and concern within the region. Guyana must therefore continue to play an active role in Caricom affairs and do whatever it can to help to strengthen the integration movement and to work with others to achieve the objectives of the Community.

We believe that there is still very much we in Caricom can do among ourselves to improve the economic climate. We have therefore been working for some time now on certain economic models which, in our view, can help to promote investment co-operation and stimulate trading and economic activities in the region. These would facilitate joint ventures between Guyana and Caricom (and also extra-regional) partners in the exploitation of Guyana's resources for mutual benefit.

In this way, we would be able to make greater use of indigenous regional resources, create more manufactures for trade within and outside the region, expand services, and generate more employment and wealth within Caricom. We hope to be able to persuade Caricom Governments and entrepreneurs about the feasibility and advantages of these models.

In the meantime, a trade delegation headed by the Comrade Minister of Trade is at present visiting certain Caricom countries to explore possibilities for strengthening our trading and economic links. This is an example of the vigorous initiatives that the Government will be taking in the fulfilment of its obligations under the Treaty of Chaguaramas.

Comrade Speaker, in another nineteen days we will be marking the sixteenth anniversary of the inauguration of the Republic; and, in another three months or so, we will be celebrating the twentieth anniversary of our Independence. These are short periods, I admit, in the life of a state; but, for us, they have been seminal years during which we have sought to prove to ourselves that we are free men and not subjects or pawns of any alien power. Out of our diverse origins, we have sought to fashion a distinctive Guyanese way of life and an authentic Guyanese personality — and, moreover, to create a Guyanese nation with a common purpose and a common destiny.

The years we have traversed have not been without dangers, difficulties and vicissitudes; but we have also had our full measure of exciting challenges and wonderful achievements. And because of our work, our steadfastness and our loyalty, we have today, in this great country of ours, something of value. Let us cherish, defend and preserve it. And members of this Honourable House can best demonstrate their pride in and love for our country in these times, by doing every thing in their power to propel our economy into an era of sustained prosperity.

Comrade Speaker, I said earlier on, that despite serious economic difficulties, we have survived. The optimism among our people to which I have referred is, in a sense, a reflection of a consensus that it is not sufficient now for us merely to survive: we need to move our nation forward.

We know that we have the resources, rich, bountiful and diverse. We have demonstrated that we have the will to take strong, decisive action and the intelligence to devise appropriate mechanisms to suit changing circumstances. We are a talented people possessed abundantly of the skills needed for development.

--Irritants

The prevailing mood of optimism is a valuable asset for facilitating the forward movement of our nation. Government proposes to foster it by paying judicious attention to the quality of life, among other things, by identifying and removing unnecessary irritants in our society. But, while it is a prime objective to quicken the pace of growth and expansion of our economy, Government must in the final analysis, have due regard to the absolute necessity for fiscal prudence.

In this regard, the reduction of the public sector deficit and its [word indistinct] within manageable limits will be a constant preoccupation and a national priority. Consequently, public corporations will have to achieve an acceptable level of business performance and the deficits will have to be controlled, as a matter of course. The issue of the public sector deficit, will therefore, be the major consideration as we undertake the work of reinvigorating our economy. Fiscal prudence, development and growth: this is the task, this the labour to which we must all bend our efforts.

Members of this Honourable House have a great opportunity to play a pivotal role in mobilizing and motivating our people for the sustained and strenuous work that lies ahead, as we attempt to move our nation forward.

In closing, I can do no better than recommend to you the national slogan for the year 1986 and urge you to stand up for Guyana by the quality of the service you give to the Guyanese people inside and outside of this Honourable House, and by the personal example you set [word indistinct] of genuine patriotism and unselfish commitment to the cause of Guyana.

Let us all stand up for Guyana by moving our nation forward.

I extend to each and every one of you my best wishes for success in your parliamentary endeavours.

National Assembly Debate

Georgetown GUYANA CHRONICLE in English 7 Feb 86 pp 1, 5

[Article by Colin King]

[Text] PRESIDENT Desmond Hoyte's policy address during Tuesday's ceremonial opening of Parliament was yesterday described as "a guide to action" for the well-being of an economy and of a nation.

Introducing a motion in the National Assembly for approval of the policy adumbrated in the address, Deputy Prime Minister Planning and Development, Haslyn Parris said the address was an "astute analysis of the Guyana situation."

The 73-member Assembly began debating **President Hoyte's** speech yesterday and several other PNC members and the sole United Force speaker lauded the content of the address.

The Minority PPP however, was highly critical, contending the address offered nothing new.

Eleven speakers participated in this lively first debate of the Fifth Parliament. These included six maiden presentations by newcomers to Parliament.

Referring to the President's call to action in support of local initiative Deputy Prime Minister **Haslyn Parris** dealt in detail with initiatives needed with regard to the "daunting" oil problem which he said is of overwhelming importance.

Exports of rice and other commodities from Guyana to Trinidad and Tobago, he said, do not equate to the petroleum products imported from that country, and the deficit has to be met from scarce hard currency earned in extra-regional markets.

More than half the petroleum imports are for productive and electricity generation purposes, Cde **Parris** told the Assembly, and the conundrum of simultaneously improving production and reducing oil imports has to be solved, he said.

Analysis, he said, shows that fuel conservation, encouragement of local and foreign investment in local hydrocarbon development, and alternative energy projects are needed.

Referring to the President's call for the stepping up of initiatives for growth, the Deputy Prime Minister told the Assembly that as with the oil problem, solutions to other production problems will emanate from "the exercise of our own analyses, creativity and ingenuity."

Steps are being taken, with the involvement of foreign capital in some cases, to boost gold exploitation, and to promote petroleum exploration and exploitation.

The fiscal financial, and general economic climate would have to be created to facilitate the participation of foreign companies particularly in areas where the required technology is not yet available in Guyana, Cde Parris said.

But Minority Leader PPP's **Dr Cheddi Jagan** contended that the President's address comprised nothing new.

He also contended that there was no mood of optimism in the country and said **Cde Hoyte's** address contained "nothing about socialism".

PPP member **Feroze Mohamed** said the address made no mention of "corruption", or "democracy", and said nothing of the "ideological foundation" of the society. The other speaker for the PPP in yesterday's debate was **Clinton Collymore**.

But, United Force member **Michael Abraham** expressed satisfaction with the emphasis on economic dynamism in the President's "fine address.".

He, however, contended that there were deficiencies and failures in the PNC record which detract from the thrust of the address. But he said "we have to admit the PNC is the government and we are duty bound to co-operate with the Government to pull the country out of this mess"

In his address Cde Parris stressed that the initiatives outlined by Cde Hoyte represent a business-like pursuit of the affairs of the country.

The aim is the pragmatic maximisation of the well-being of the people of the country, he reiterated.

The Assembly was adjourned until today when other contributions to the debate on the motion will be made. (GNA)

Assembly Endorsement

Georgetown GUYANA CHRONICLE in English 8 Feb 86 pp 1, 4-5

[Article by Colin King]

[Text] THE National Assembly last evening endorsed Government's policy for moving the nation forward as was adumbrated by President Desmond Hoyte in his address Tuesday at the ceremonial opening of the Fifth Parliament.

Endorsement came shortly after the debate, which began Thursday, was wound up by Prime Minister Hamilton Green who made a rousing call for unity and confidence in the task of moving the nation forward.

Cde Hoyte's speech represented a call to "positive and constructive action" for the progress of Guyana, **Cde Green** told the National Assembly.

Minority PPP speakers continued yesterday to criticise the address, with **Cyril Belgrave** contending it made no admission of past mistakes of Government.

WPA member **Eusi Kwayana**, addressing the Assembly for the first time since returning after a 33-year absence, supported a number of points made by the President. He called for several issues to be given special attention, and was critical on a number of issues not specifically dealt with in the address.

In the final presentation of the debate, Prime Minister Green, however, reiterated and examined the relevance and importance of policy statements by the President and responded forthrightly to several remarks made by the Minority.

The President's call to positive and constructive action can only be ignored by the "foolish, blind or wicked", he said.

The world economic situation, as mentioned by the President, he said, is central to everything the country does, will do, or can do.

Even increased exports cannot, in some cases, cushion the effects of the unfair terms of trade experienced by developing countries, the Prime Minister said.

He quoted the Economist magazine, which in 1986, noted that developed countries paid $65 billion less for the same quantity of raw materials imported from developing countries than they paid in 1984.

"We need to take positive steps to weather the storm together as a people," the Prime Minister told the Assembly.

In this regard, he said, the President's address was "refreshing and revealing."

WPA member **Eusi Kwayana** had attacked this view, saying the President's reference to measures to infuse dynamism into the economy was an old United Force principle.

Cde Green however, pointed out that "words used by different people have different meaning." The Government is not talking about "untrammelled capitalism", he said, but about encouraging and facilitating the involvement of the public, private and co-operative sectors in the maximum utilisation of the country's resources to move the country forward.

The streamlining of licensing and other administrative procedures was just one example of this.

He acknowledged problems in the transportation system, and said a number of licences for the importation of vehicles for public transport had been granted to private individuals. Others would be granted where merited.

"We make no apologies for that," he said, adding that the Government is ready to support the "drive and enthusiasm of every person in the community."

He emphasised that the exploitation of the forestry, fisheries, mineral and other resources will be continued with vigour.

The Government is engaged, he said, in transforming the Socialist philosophy into "tangible reality". It seeks the involvement of every group in the society, he said, mentioning particularly the trade unions and Minority parties.

And, reacting to Eusi Kwayana's claim that there was no freedom of association in the country, Cde Green said to cheers from the Government benches that the mere fact some people can get into the House to make such claims, gives the lie to the contention.

Government, he continued, is taking measures as outlined by the President to bring down the cost of living "on behalf of and with the assistance of the Guyanese people."

And, all these efforts are based on the principle that Guyana is sovereign, independent, and striving after self-sufficiency and economic independence.

Stressing that the motto "Stand up for Guyana" is not a Party slogan, but "a national imperative", he added: "We make a call to arms...to stand up for Guyana."

"Let us all stand up for Guyana confident in our strength and in our glorious future," he said, to conclude the debate. (GNA)

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CSO: 3298/357

GUYANA

PATRIOTIC COALITION FOR DEMOCRACY CONTINUES ACTIVITIES

Police Action on Procession

Georgetown SUNDAY CHRONICLE in English 9 Feb 86 p 1

[Text] Commissioner of Police Balram Raghubir yesterday disclosed that the Police had granted permission for the Patriotic Coalition for Democracy (PCD) to hold processions between 09:00 hrs and 14:00 hrs yesterday from Grove, East Bank, Demerara and Buxton, East Coast, Demerara, to proceed to Georgetown for a rally at Industrial Site, Ruimveldt.

He also disclosed that permission had been granted for public meetings to be held at Little Diamond Public Road, Prospect Public Road and Province Public Road on the way from Grove to Georgetown.

Reports reaching the Chronicle last night said the processions were not held.

The applications for the processions were received from Rupert Roopnarine of the Working People's Alliance, Convenor of the PCD, and permission was granted by the Chief Officers of Police of the Georgetown Division, and the East Coast Division.

The original application sought permission to hold the rally at the John Ford Car Park, but the Police granted permission for the rally to be held at the Industrial Site, as it was considered that the procession should not pass through the crowded market area at La Penitence and move through the centre of the city from East Bank and East Coast on a busy working Saturday and cause serious interruption of traffic and inconvenience to the vast number of citizens in the centre of the city.

The decision taken by the Police to re-route the procession and re-site the rally has been taken purely in consideration of the need to avoid any serious interruption of the normal activities within the heart of the city of Georgetown.

Charge of Discrimination

Georgetown DAYCLEAN in English 8 Feb 86 p 1

[Text]

Next Saturday morning, police authorities will take part in the so-called People's Parade all over the city of Georgetown. Marching along with them will be the other security forces, para-military groups, public sector workers - all paid to march, all marching under the threat of victimisation. And as in the days of the late dictator, no effort will be spared to turn out the teachers and the school children.

But the Police have told the Patriotic Coalition for Democracy that their march, a march in which Guyanese are free to join or not to join, cannot go through the city on a busy Saturday.

This is calling one march "fish" and calling the other "fowl".

Some betta than some!

When the PNC plan a march, it can walk any street on any day. When the march comes from others, it is a different story.

The Patriotic Coalition for Democracy made this announcement calling off the march on Thursday, February 6, 1986:

"The PCD has postponed the planned march and rally fixed for Saturday, February 8, 1986 after a delayed and unfavourable reply from the police, who ordered yesterday that the march could not move through Georgetown but be confined to its outskirts. The police also unlawfully shifted the location of the planned rally, directing the march to end at the industrial Site, an area with no resident population, and directing further that the rally be held there. The march had been planned to end at the John Ford Car Park in the centre of Georgetown, where the rally was to be held.

"The Police have expressed the opinion that Saturdays are too busy for these activities to be held in the city. Yet on Saturday, February 15th, 1986, the officially sponsored People's Parade, an on-the-job march for public sector employees, students, and military and para-military units will go through all the busy streets of Georgetown. An official of the ruling People's National Congress, ex-Minister Kenneth Denny, is in charge of mobilising this PNC People's Parade.

"The PCD regards the police reply as an unwarranted interference with the right to freedom of assembly and will meet the police authorities to re-schedule the march and rally under conditions which the Coalition finds suitable."

Postponement of March

Georgetown CATHOLIC STANDARD in English 9 Feb 86 p 3

[Text] THE PATRIOTIC Coalition for Democracy (PCD)march and rally, planned to take place on Sat. Feb. 8, has had to be put off, pending a discussion with the police authorities.

Application for permission to hold the march and rally was made on Jan. 28. A reply was received eight days afterwards on Feb.5, giving permission for a "procession" and rally, but changing the advertised venue of the rally from the John Ford Car Park in the city to the Ruimveldt Industrial Site on the outskirts of the city.

The PCD said this was clearly unacceptable and the march would be scheduled for a later date.

[An indication of the extent of the PCD's activities was shown in a Georgetown MIRROR item on 9 February, page 4, which gave the schedule for three upcoming PCD public meetings, on February 11 and 16 at different sites.]

PCD Call for Action

Georgetown OPEN WORD in English 10 Feb 86 p 4

[Text]

At its Press Conference held on 3rd February, the PCD said that "in each of the countries visited by the Coalition there is a strong public opinion supported by relatively free media and profound unease among the public at the Mustique initiative. Citizens are offended at the realisation that regarding democracy and the right to vote, Mr Hoyte seems to be following in the footsteps of his predecessor. There was general disappointment at the change of attitude of some of the Caribbean leaders.

"The PCD made the following requests for immediate action:

"1. An investigation should be mounted by the Caribbean into the reports and claims about the December 9 General Elections.

"2. Recognition of the PCD as a non-governmental consultative organisation and discussion with it in any matters relating to the situation in Guyana.

"3. Legal observers at the Election Petition trials and assistance where possible.

"4. The opportunity to answer the PNC's claims point by point.

"5. Support for the PCD's call for local government elections, under a reformed system acceptable to the PCD and with Caribbean participation to ensure fairness.

"6. Solidarity from trade unions and the public with the Guyanese workers and other citizens in struggles that may develop and against repression, and denial of civil liberties."

Report on Caribbean Tour

Georgetown MIRROR in English 9 Feb 86 pp 1, 3

[Text] The delegation of the Partiotic Coalition for Democracy, comprising Dr Cheddi Jagan, MP, Mr C. M. L. John, and Mr Eusi Kwayana, MP, left Guyana on January 23rd, for Trinidad and Tobago. It left Trinidad and Tobago on January 25th for Barbados, where it was strengthened by the addition of Mr N. K. Gopaul, General Secretary of NAACIE.

In Trinidad and Tobago, the PCD delegation had the benefit of discussions with the party in government, the People's National Movement, at party level; with the leader of the opposition and his colleagues; and with other political parties.

The delegation was also received by leaders of the Trinidad and Tobago Labour Congress, the Council of Progressive Trade Unions and the OWTU. It held a press converence and individual members were also interviewed by the media.

In Barbados, the delegation held a press conference on arrival at the Grantley Ahams airport. The press conference was held soon after news was published of the Mustique meeting, of which a photograph and other material have been released in Guyana.

The delegation was able to address a public meeting at the Caribbean Conference of Churches meeting hall which included a question and answer session and was partly televised.

It later met the Prime Minister of Barbados, Mr Bernard St John, and his aides, the leader of the opposition, Mr Errol Barrow, and his colleagues, the Executive Director of the CAIC, Mr Pat Thompson and his aides, the Barbados Workers Party, the President and Secretary Treasurer of the CAribbean Congress of Labour, the Barbados Council of Churches and the Caribbean Conference of Churches.

It also addressed a meeting of students at Cave Hill. There were several interviews with the media, including CANA, and a taped interview on a Voice of Barbados programme, Point at Issue.

In St Lucia, the delegation met Prime Minister John Compton, and his Cabinet, the leaders of the opposition parties, Mr Julian Hunte of the St Lucia Labour Party, and Mr George Odlum of the Progressive Labour Party.

It met the director of the OECS, Dr Vaughan Lewis and a colleague, and was also received by the St Lucia Workers Union, the National Workers Union and a joint delegation of the National Youth Council, the Civil Service Association, the St Lucia Teachers Union.

In St Vincent, and the Grenadines, the delegation was received by H. E. Hon. James Mitchell, by the leader of the St Vincent Labour Party, Mr Hudson Tannis, the United People's Movement, the Joint Workers Committee, comprising the Public Service Union, the SVG Union of Teachers, the National Workers Movement, the Clerical and Allied Workers Union, the National Farmers Union.

The delegation was invited to meet a group of Guyanese outside of the capital, to participate in an anti-apartheid march and open air rally organised by most of the people's organisations in St. Vincent under the anti-apartheid committee. The delegation was also invited to a public indoor meeting on Saturday night.

The discussions with the heads of government provided the representatives of the Coalition with the opportunity of explaining in outline, and when requested in detail, aspects of the great fraud of December 9, which the PCD argued disgraced the Caribbean. Many questions were asked reflecting both the concern of the leaders and the case made out by H. E. the President of Guyana.

The heads of government uniformly declared themselves in favour of fair and free elections in every part of Caricom and indicated that the cases of the Guyana government and the PCD did not agree with each other.

The GIS of Barbados made a release on the meeting in which it said that Prime Minister St John was prepared to fight within Caricom for a parallel Human Rights Treaty to be administered by Caribbean judges. The Heads took the chance to explain their intentions at Mustique, one declaring that he had not been brainwashed by the encounter with the Guyana leader.

The PCD formed the impression that some leaders felt they could influence the Guyana situation towards free and fair elections, if necessary.

The PCD had similar discussions with non-governmental organisations which were much freer in their exchanges. Similar requests were made of 11 interested parties.

The PCD made the following requests for immediate action:

1. An investigation should be mounted by the Caribbean into the reports and claims about the December 9, General Elections.

2. Recognition of the PCD as a non-governmental consultative organisation and discussion with it in any matters relating to the situation in Guyana.

3. Legal observers at the Election Petition trials and assistance where possible.

4. The opportunity to answer the PNC's claims point by point.

5. Support for the PCD's call for local government elections, under a reformed system acceptable to the PCD and with Caribbean participation to ensure fairness.

6. Solidarity from trade unions and the public with the Guyanese workers and other citizens in struggles that may develop and against repression and denial of civil liberties.

The PCD delegation, after talking with heads of governments in particular, is convinced that these heads are aware that the claims that the December 9, poll was rigged are not trivial and need to be investigated.

Alleged Internal Rift

Georgetown NEW NATION in English 9 Feb 86 pp 4-5

[Text] A marriage of convenience never lasts. The so-called Patriotic Coalition for Democracy is a marriage of convenience that is already heading for the rocks.

New Nation understands that the People's Progressive Party is watching the Democratic Labour Movement since the latter is suspected of wanting to "steal" PPP members. Reports reaching New Nation state that the PPP has issued a call to its members to beware of the DLM. The DLM has also issued a similar call to its members.

At the same time the PPP is planning to join with the Working People's Alliance to double-cross the other members of the coalition. Reports from within the Patriotic Coalition for Democracy indicate that the PPP and the WPA are planning a further coalition. This one is to be called the "Coalition of the Left."

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GUYANA

CATHOLICS VOW TO WORK FOR GOOD RELATIONS WITH GOVERNMENT

Georgetown GUYANA CHRONICLE in English 8 Feb 86 pp 1, 5

[Text]

A LARGE gathering of mainly prominent Roman Catholics Thursday night affirmed their intentions to work for good relations with the Guyana Government and for the development of the country.

Their pledge was made at a reception at the Georgetown Club in honour of President Desmond Hoyte and Prime Minister Hamilton Green. Father Compton Meerabeux and United Force leader Marcellus Feilden-Singh were among those present.

Mr. Feilden-Singh is the brother of Roman Catholic Bishop, Benedict Singh.

The members of the Catholic community took the opportunity to discuss a number of national issues with the President. These included Government's relations with the Catholic church.

In the words of Mr. Feilden-Singh, it was an opportunity for dialogue and reconciliation.

"Tonight there has been a genuine approach to bring about peace and reconciliation. There has been dialogue. There will be further dialogue..." Mr. Singh said in concluding the meeting.

In the course of the discussions, President Hoyte reminded his audience that Guyana is a plural society in which the freedom of religion is guaranteed constitutionally.

He said that while the Government has had a few problems with individuals in the church, it does not have a problem with the Catholic church.

DIALOGUE

The Government, the President added, has the overall responsibility to protect the security and interests of the State.

Referring to the Father Connors affair, Cde. Hoyte expressed regret that certain Catholics who attempted to resolve the issue through Prime Minister Hamilton Green were later branded as traitors.

"What we want is dialogue," Cde. Hoyte said, and noted that one of the main functions of Government is to reconcile conflicts which sometimes inevitably arise in the development process.

During the meeting, several Catholics expressed their views on Church-State relations and one participant called for the Connors affair to be considered a thing of the past.

And the search of Bishop Benedict Singh's home by the Police late last year, was described as an unfortunate incident.

Also speaking on the need for dialogue, was Father Meerabeux who called on members of the Catholic community to view issues in proper perspective.

He spoke of his experiences in Columbia where, he said, no fuss is made about such issues and referred to Zimbabwe where Prime Minister Robert Mugabe was having talks with Bishops.

Earlier, Mr. Feilden Singh alleged that he was subjected to several telephone threats in which callers told him if he attended the meeting he will be deemed a traitor.

Mr. Singh said he defied such threats because he was a believer in peace and dialogue.

Mr. Singh also levelled a number of criticisms against a pastoral letter alleged to have been written by the Roman Catholic clergy in Georgetown.

Also making contributions were Yvonne Gouvies and Jose De Silva.

Thursday night's discussions with the Catholics followed similar discussions President Hoyte had in recent times with members of other religious denominations including the Methodists and the Muslim Missionary Guild International.

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GUYANA

TUC COMPLAINS OF LACK OF INPUT TO BUDGETARY PROCESS

Georgetown CATHOLIC STANDARD in English 9 Feb 86 p 4

[Text]

"IT IS REGRETTABLE that our involvement in the budgetary process comes at a time when presentation of the budget to Parliament is imminent".

So declared the TUC Economic and Research Committee, chaired by Prof. Clive Thomas in a memo dated Jan. 22, 1986.

"The continuation of the cosmetic and token involvement of the TUC in the annual budgetary exercise is not in our interest to perpetuate", the memo stated.

The Committee also complained of the lack of basic data that would make a meaningful dialogue on the budget possible, either because the data had not been compiled or, as frequently happens, they are not passed on to the TUC.

The quality/availability of economic and social data in Guyana, the Committee stated, is far below that of other Caribbean territories. Surveys of the IMF-World Bank made available to the Government, for example, are not passed on to the TUC.

Among the recommendations made by the Committee are:

- Increase in wages and salaries.
- More expenditure on food and nutrition for children and the aged.
- Introduction of systematic mechanisms and incentives designed to increase employment (unemployment estimated at [illegible]-40% of labour force).
- Deregulation of economic activity especially in the area of foreign exchange by extending to others and making more automatic foreign exchange retention schemes now available to certain exporters.
- Movement away from indirect taxation which fuels price inflation.
- Reduction in excessive and unconscionable mark-up in force at state retail agencies, such as Guyana Stores and GNTC.
- Indexing of wages/salaries as promulgated by the TUC during the [illegible] Public Sector wage settlement.
- Stepping up incentive schemes.

The TUC Committee does not believe that the crisis can be solved by financial tinkering, but by a serious effort to redress the social basis of the crisis.

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GUYANA

DUTIES OF ADDITIONAL GOVERNMENT OFFICIAL SPELLED OUT

Ministerial Responsibilities

Georgetown GUYANA CHRONICLE in English 4 Feb 86 pp 6-7, 5-7 Feb 86 p 4

[Text]

DEPUTY Prime Minister, Planning and Development Cde. Haslyn Parris, who is also a Senior Minister and Member of the Cabinet is, by virtue of a notice to the effect published in an extraordinary issue of the Official Gazette published recently, responsible for the following Ministries/ Departments:

Economic Planning and Development — Ministry of Planning and Development, State Planning Commission.,

Statistics — Statistical Bureau; National Data Management Authority.

Operating and developing computer systems — Information Systems Division.

Thermal and Hydropower — Ministry of Energy and Mines Hydropower Division; Guyana National Energy Authority.

Mining in relation to minerals other than bauxite, gold, precious minerals and semi-precious minerals — Other Minerals Division.

Geology Surveys, Scientific Research — National Science Research Council, Institute of Applied Science and Technology, Guyana National Bureau of Standards.

Manufacturing and Industrial Development — Guyana Manufacturing and Industrial Development Agency.

Supervisory Council for Commercial Companies [GROUP II] — Chairman — Guyana National Engineering Corporation Ltd., Sanata Textiles Ltd., Guyana Glass Works Ltd.

Also responsible for supervising the Ministry of Finance and the Ministry of Trade.

CDE. ROBERT CORBIN, M.P., Deputy Prime Minister, Agriculture, who is also a Senior Minister and a Member of the Cabinet, is responsible for the following Ministries/ Departments:

Agriculture — Ministry of Agriculture, Agriculture Department, Planning Department;

Lands and Surveys, Acquisition and beneficial occupation of non-beneficially occupied lands — Lands and Surveys Department;

Sea Defence — Hydraulics Department;

Drainage and Irrigation — Drainage and Irrigation Department, Tapacuma Irrigation Project;

The Rice Industry;

Fisheries — Fisheries Division, Small Farmers' Development Project, Mahaica/ Mahaicony/ Abary Agriculture Development Authority, Black Bush Polder, Guyana School of Agriculture, Guyana Marketing Corporation, Livestock Development Company Ltd.

Zoo — Zoological Park.

Forestry — Ministry of Forestry;

Charcoal production;

Supervisory Council for Agriculture-based entities — Chairman — Guyana Fisheries Ltd., Guyana Nichimo Ltd., Demerara Woods Ltd., Guyana Timbers Ltd., Guyana Rice Milling and Marketing Authority, Guyana Rice Export Board, National Padi and Rice Grading Centre, National Edible Oil Company Ltd., Quality Foods Ltd.

Cde Rashleigh Jackson, Minister of Foreign Affairs, who is also a Senior Minster and a member of the Cabinet is responsible for Foreign Affairs--Ministry of Foreign Affairs.

As Foreign Minister he is responsible for Guyana's High Commissions, Consulates and Embassies overseas and for Guyana's Foreign Policy based on Non-Alignment and the pursuit and protection of the nation's vital interests.

And Cde Carl E. Greenidge, Minister of Finance, is also a Senior Minister and a member of the Cabinet. He is responsible for the following Ministries/Departments.

Monetary police--Ministry of Finance;

Fiscal policy--Customs and Excise Department, Insland Revenue Department;

Budget, taxation and tax incentives;

Government accounting and financial control--Accountant General's Department, Exchange Control;

Banking and credit--Bank of Guyana, Co-operative Finance Administration, National Bank of Industry and Commerce Limited, Republic Bank (Guyana) Ltd., Guyana National Co-operative Bank, Guyana National Mortgage Finance Bank, Guyana Cooperative Agricultural and Industrial Development Bank, Guyana National Co-operative Bank Trust Corporation.

Government Lotteries--Government Lotteries Control Committee;

Insurance--Guyana National Co-operative Insurance Services, Ltd.

National Insurance--National Insurance Board.

Relations with domestic financial institutions and external financial bodies;

Regional and international economic organisations.

CDE Seeram Prashad is Minister of Transport, a Senior Minister and a member of the Cabinet. He is responsible for the following matters and groups of matters falling under the Ministries/Departments indicated:

Transport planning and services--Ministry of Communications;

Licensing of motor buses, hire cars and goods vehicles--Central Transport Planning Unit;

Civil Aviation--Civil Aviation Department;

Shipping and Harbour Services--Transport and Harbours Department.

Also appointed a member of the Cabinet is Cde. Winston Murray C.C.H. who is also a Senior Minister.

As Minister of Trade, he is responsible for Internal Trade and Consumer Protection--Ministry of Internal Trade and Consumer Protection;

Foreign trade--Division of Foreign Trade;

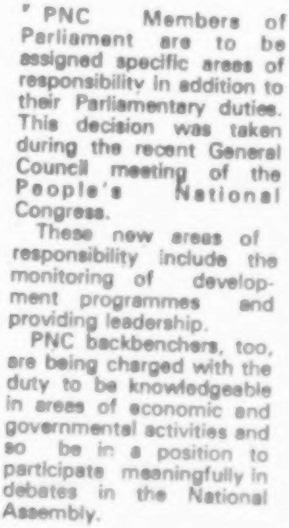
Export promotion--Guyana Export Promotion Council;

Caricom and Tourism.

Tasks of PNC MP's

Georgetown NEW NATION in English 9 Feb 86 p 2

[Text]



" PNC Members of Parliament are to be assigned specific areas of responsibility in addition to their Parliamentary duties. This decision was taken during the recent General Council meeting of the People's National Congress.

These new areas of responsibility include the monitoring of development programmes and providing leadership.

PNC backbenchers, too, are being charged with the duty to be knowledgeable in areas of economic and governmental activities and so be in a position to participate meaningfully in debates in the National Assembly.

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CSO: 3298/357

GUYANA

COMMITTEE TO STUDY, PROPOSE IMPROVEMENTS FOR POLICE

Georgetown GUYANA CHRONICLE in English 7 Feb 86 p 1

[Text] Retired Chancellor of the Judiciary Cde Victor Crane has been appointed to head a committee to examine conditions of service of members of the Police Force and to recommend improvements.

President Desmond Hoyte made the announcement yesterday morning when addressing the opening of the annual Police Conference, being held over three days at the Police Officers' Mess, Eve Leary.

Cde Hoyte was hopeful that the work of the committee would bring results which would "enhance the morale of members of the Force and inspire them to higher levels of performance in the service of the people of Guyana."

Other members of the committee are expected to be named next week. The committee has been set up in response to representation made last year about anomalies affecting policemen.

The committee will examine:

--recruitment and promotion procedures,

--arrangements for training and personnel development; and

--remuneration and conditions of service generally.

In his address to the conference, Cde Hoyte emphasised, that the Police Force is "a valuable and essential institution." It is important, he said, that it continually evaluates its performance and assesses its relevance and effectiveness in serving the purposes of the society.

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HIGH-LEVEL TEAM OFF FOR PETROLEUM TALKS IN UK, U.S.

Georgetown GUYANA CHRONICLE in English 8 Feb 86 p 1

[Text]

A TOP-LEVEL delegation led by Deputy Prime Minister Planning and Development, Haslyn Parris, left yesterday for the United Kingdom and the United States on a mission to stimulate interest in Guyana's petroleum potential.

The petroleum sector is one of five sectors targeted for special emphasis and attention as Government intensifies its efforts to stimulate the national economy, President Desmond Hoyte told the National Assembly earlier this week in his address at the ceremonial opening of the First Session of the Fifth Parliament.

More than 100 oil companies, including major companies from the East and West, have been invited to meet the Guyana team at seminars in London and Houston, Texas, on February 11 and February 18 respectively.

The companies will be presented with technical data on Guyana's hydrocarbon potential as well as information on the local investment climate. The seminars were organised by the Energy and Mines Ministry in collaboration with the British consultancy firm, Exploration Consultants Limited (ECL).

It is intended that interested companies will bid for exploration licences, and the bidding procedures, the financial package being offered, and legal procedures related to oil exploration in Guyana are among matters to be examined at the seminars.

The local team includes Permanent Secretary, Ministry of Energy and Mines, A.P. Crawford; Commissioner of Inland Revenue Edgar Heyliger, and other officials of the Energy and Mines Ministry and the State Planning Commission Sectariat.

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GUYANA

WPA OFFICIAL CITES FUEL RATIONING AS SIGN OF 'CRISIS'

Port-of-Spain SUNDAY EXPRESS in English 23 Feb 86 p 18

[Text]

THE situation in Guyana is at a crisis point, Wazir Mohammed of the Working People's Alliance (WPA) said in an interview with the SUNDAY EXPRESS on Thursday.

Since last Wednesday the government has been forced to initate a system of fuel rationing, because it did not pay Trinidad and Tobago for the last shipment. Since then Trinidad and Tobago has held back on future consignments.

Mohammed, who was on a brief visit to Trinidad, said: "People are going back to coals and woodfires. There is no domestic gas on the market."

At present there is a "rush" for charcoal and for wood because kerosene was now going officially at $8 a gallon. "And the black market price is much more."

"There are long lines at those petro stations which happen to have gas," he said. Housewives have to stand up for hours in fuel lines on the roadsides. The whole transport situation has also been affected both on sea and on land. Private cars and motor boats cannot get fuel and school children and workers on most days are unable to reach their destinations.

Guyana already owes a $400 million dollar debt to this country and only recently Prime Minister George Chambers insisted that Guyana pay for its oil in cash.

Now, according to Mohammed, the Guyanese Government is thinking of approaching Venezuela because, it is felt, it has exhausted its credit opportunities with Trinidad and Tobago.

At present there is also a petroleum mission to London and Texas to encourage investment in oil exploration in Guyana.

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GUYANA

IMPROVED LETHEM AIRSTRIP OPENED; OTHERS SCHEDULED

Georgetown GUYANA CHRONICLE in English 10 Feb 86 p 1

[Text]

THE NEW Lethem airstrip, the first level runway to be built in Guyana's interior, was yesterday officially opened by Region Nine (Upper Essequibo-Upper Takutu) Chairman Patricia Fredericks.

Capable of handling aircraft of up to 100 000 pounds "all-up weight," the new airstrip is 6 400 feet by 150 feet and is, in Guyana, second in size only to the Timehri International Airport.

Among those present at yesterday's official opening ceremony was Transport Minister Seeram Prashad, who described the event as marking another significant stage in the development of civil aviation in Guyana.

Cde. Prashad further announced that work on the Aishalton Airstrip, serving the South Rupununi, will begin shortly. This airstrip will be 5 000 feet by 150 feet and will be paved to permit all-weather operations of Guyana Airways's HS 748 aircraft.

The Transport Minister referred to the many passengers and the large volume of goods that have to be moved to and from the Lethem area, and said the new Lethem airstrip will serve as "a facilitator of development" in Region Nine.

It is another concrete example of Government's commitment to "the balanced development of the country's resources which implies the accelerated development of the resources of each of the regions, especially those in the hinterland."

The airstrip was built at a cost of over $3 million (Guyana) with the bulk of the funding coming from the Guyana Government. Financial inputs also came from the Canadian Government and the Home Oil Company.

Cde. Prashad explained that there are plans to put an asphalt-concrete surface on the runway. This will allow for the accommodation of short and medium range jet aircraft.

Meanwhile, the Transport Minister has thrown out a challenge to the local Civil Aviation Department to complete the Aishalton airstrip within one year. The Lethem airstrip took about four years to complete, but this was due, in large part, to difficulties encountered in transporting equipment and materials into the area.

Also present at yesterday's opening ceremony was Director of Civil Aviation Anthony Mekdeci who gave a background to the project.

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GUYANA

BRIEFS

PNC-PPP TALKS--The future of the inter-party talks involving the People's National Congress and the People's Progressive Party now rests with the PPP which is still to respond to a letter from the People's National Congress. Dr Jagan had requested that the December 9 general and regional elections be postponed until the talks were completed but PNC leader, Cde Desmond Hoyte had replied that there was no nexus between the talks and the elections. The apparent reality is that the PPP will not reply to the PNC in the near future. One political analyst has said that nothing is going to happen in the near future. However, the People's National Congress will keep the door open for further talks. [Text] [Georgetown NEW NATION in English 9 Feb 86 p 5] /9274

PNC COUNCIL DOCUMENTS--It is incumbent that delegates to General Council report back to their groups and other arms of the Party on the tasks these must undertake as part of the Party's programme for the period. To facilitate thereporting the Secretariat of the People's National Congress is preparing a summary of the issue discussed at the recent General Council meeting. General Council members are the link between the Party and its arms and it represents the democratic nature of the Party. [Text] [Georgetown NEW NATION in English 9 Feb 86 p 1] /9274

IDEOLOGICAL TRAINING--Region Four is soon to begin a programme of ideological education at the various work sites with a view to raising the level of ideological awareness of the workers. During an address on the occasion of the 21st anniversary of the People's National Congress in Government and to thank the nation for the overwhelming victory at the polls following the December 9 general and regional elections, Leader of the Party, Cde Desmond Hoyte, announced that one of the areas of focus in the life of the Party would be the intensification of ideological training. Already the Secretariat of the Party has initiated ideological trianing for its workers. Steps are underway to extend this programme. During the recent General Council meeting of the Party Comrade Leader stated that the Party was being organised for service to people. Deputy Leader and General Secretary of the Party, Cde. Ranji Chandisingh, has been charged with preparing a comprehensive programme of ideological trianing especially for the young people of Guyana. [Text] [Georgetown NEW NATION in English 9 Feb 86 p 5] /9274

DIAMOND PRODUCTION--Declared gold production last year was 10,323 ounces, a decrease of 808 ounces compared with 1984 figures, but diamond production showed a substantial increase. A Geology and Mines Commission statement shows diamond production declared for 1985 at 11,556 (Old English) carats, an increase of 4,257 carats on the declared production of 7,299 carats in 1984. Commission officials said the declaration of just over 10,000 ounces of gold, compared to 11,131 ounces declared in 1984, could have been caused in part by unfavourable weather in mining districts last year, resulting in extended periods of "high water." The total value of gold declared by the end of the year was $12,25 million compared to $12,29 million in 1984. The value of diamond production declared in 1985 increased to $1,73m from the $1,09m in 1984. Royalty increased to over $116,000 from some $73,000 in 1984. [Text] [Georgetown SUNDAY CHRONICLE in English 9 Feb 86 p 3] /9274

CSO: 3298/357

NICARAGUA

CONTRIBUTIONS FROM SOCIALIST COUNTRIES IN 1985 REPORTED

Managua BARRICADA in Spanish 16 Jan 86 p 5

[Text] The material aid provided to the Nicaraguan Association of Friendship with Socialist Countries (ANAPS) in 1985 by the countries in the world socialist system, including donations, consumer goods, capital and technical aid, came to $260 million, Socorro Galan, secretary general of that organization, has informed BARRICADA.

The ANAPS carried out three major activities in 1985, Galan explained. They were the celebration of the 40th anniversary of the defeat of fascism, the celebration of the 40th anniversary of the founding of the Socialist Republic of Vietnam, and the celebration of the triumph of the October Socialist Revolution.

He said that progress had been made toward the main purpose of the association, which is to make known the goals of socialism, with the decisive support of the organized people.

In the realm of collaboration, Cuba headed the list with a total of $96,500,000, followed by the Soviet Union with $17,200,000, Czechoslovakia with $16,600,000, Bulgaria with $14,900,000, the GDR with $10,000,000, and Poland and Hungary with $8,400,000, he noted.

"In the 5 years since our organization was founded, it has been possible to establish a real and important friendship with the socialist countries, particularly through the exchange of counterpart delegations."

Galan stressed that "in 1986, our organization will continue to consolidate the bonds of friendship with the socialist countries, with particular emphasis on their militant solidarity, under the slogan 'Nicaragua must survive'."

Another of the important tasks for 1986 will be explaining to the people the congresses of the communist parties which will be held this year, which marks the 25th anniversary of the victory at the Bay of Pigs and the 65th anniversary of the revolution in Mongolia, he added.

"Also, along with our brothers in the socialist sector, we will celebrate this International Year of Peace, established as a goal of our counterpart .pa organizations, as well as the fifth anniversary of the founding of the ANAPS, next 11 June," Comrade Galan said.

"With our counterparts in the socialist sector, we will celebrate three main activities. They are the seventh anniversary of the triumph of the Sandinist Revolution, the 25th anniversary of the founding of our historic vanguard, and the 10th anniversary of the date on which the leader of the revolution, Commander Carlos Fonseca, fell in battle," he said.

On the other hand, he announced that greater impetus will be given the Russian language school, at which courses will begin in the first week of February, with more students participating. Last year there were 130 students.

In conclusion, Socorro Galan said that specific requests for technical and material aid have already been made to the socialist countries. Jointly with them, exhibits of arts and crafts and photography will be held, for the purpose of "deepening our relations, which are the product of our commitment to peace."

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NICARAGUA

HOSPITAL DIRECTOR REPORTS STATISTICS FOR 1985

Managua LA PRENSA in Spanish 27 Dec 85 pp 1, 12

[Text] Although absenteeism continues to prevail among the support personnel, the Bertha Calderon Hospital did excellent work during 1985, its director, Dr Francisco Orochena, has said.

This physician indicated that the work done at this medical aid center included almost 100 percent fulfillment of the medical consultation plan. It had been estimated that 113,512 patients would be seen, while the actual number was 113,000, plus all those given emergency aid.

Births at the Bertha Calderon Hospital totaled 16,364, yielding an average of 45 per day, an acceptable number.

"At all times we check on the quality of care given the workers, to avoid complaints from the numerous patients we care for, since it serves no purpose to exceed the goals for care to the public if the quality of the care does not improve. And this is a goal which, despite the effort made, has not been achieved," he added.

The total number of patients discharged was 27,407, representing 99 percent plan fulfillment. Major surgical operations came to 10,256 during the year, yielding an average of 97 percent.

According to Dr Orochena, the average time a patient stays at this facility is ? and a half days. This is regarded as too low a figure, since the ideal would be 6 days, which period of time would guarantee better patient supervision. However, lack of capacity makes this impossible. The demand for beds is such that each bed serves 10 patients monthly, and is only empty for 16 hours per month.

The director said that the mortality rate at the facility he heads is 3.4 percent, which is acceptable, although it could be reduced.

The majority of the deaths occur among newborn infants, for reasons within the list of the 10 main causes of death established for this hospital.

They include, among others, immaturity of the organs of the newborn infants, asphyxia and hypoxia (lack of oxygen in the tissues). Many of these infants are born depressed.

The director of the Bertha Calderon Hospital noted, moreover, with regard to scientific development sponsored at the facility, 37 specialists are being trained in gynecology and obstetrics, while seven ophthalmologists are in training. During the year, 20 specialists in gynecology and obstetrics and three ophthalmologists graduated.

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CUS REVIEWS ACTIVITIES, DIFFICULTIES IN 1985

Managua LA PRENSA in Spanish 26 Dec 85 p 7

[Text] The Confederation for Trade Union Unity (CUS) will continue in 1986 to promote farmproduction, clothing, woodworking and traditional fishing cooperatives, leaders Alvin Guthrie and Jose Espinosa told the DIARIO DE LOS NICARAGUENSES.

The positive assessment of the trade union administration of the CUS showed that the workers class cannot meet its needs through wages, but there are also cases of unemployed workers, and this sector will be served by the development of cooperatives.

Difficulties

The members of these cooperatives, the officials interviewed said, encounter difficulties in obtaining farm tools, boat engine replacements, tools and fabrics, so that they can continue to operate.

In the year just ending, an increase in the membership of the CUS was seen, making it necessary for the national leadership to redouble the effort to bring prosperity to the members of the organization.

Activities Carried Out

The leaders interviewed explained that last Saturday, 21 December, 800 members of the clothing, peasant and miscellaneous trades workers unions met in Nindiri for an end-of-the-year ceremony.

The participants exchanged gifts and announced the various programs to be carried out in 1986 for the sole purpose of improving the family economies of their members.

Alvin Guthrie, secretary general of the CUS, announced that support for the social welfare programs for the working class in Masaya will be continued.

Espinosa Navas said that the members of the Peasants Union, the Clothing Workers Union and the Miscellaneous Trades Workers Union, all of Chinandega, met in El Viejo on Sunday to celebrate the year's end.

A total of 800 persons participated, demonstrating that the CUS enjoys great support in the department of Chinandega.

Plans call for the better-organized planting of seeds for the production of sesame seed, yucca and other crops, with a view to overcoming the difficulties encountered this past year.

Concluding Activities

One of the last activities of the CUS in 1985 will be the inauguration of the Trade Union House in Chinandega, as well as the election of new officers for the Chinandega Stamping Mill Workers Union (SITRAVOCHI).

Also, a new union will be established in the city of Leon, followed by the time-honored end-of-the-year celebration, with all of those present, including invited guests, participating.

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CUS UNIONS DECLARED ILLEGAL BY LABOR MINISTRY

Managua BARRICADA in Spanish 27 Jan 86 p 7

[Text] The leaders of the CUS [Confederation for Trade Union Unity] have refused to respond to the appeals of the MITRAB [Ministry of Labor] for justification of the existence of at least 12 illegal unions.

Yader Valerio Cortes, chief labor inspector, said that last 13 December, Omar Baca Castillo and Jorge Morales Vallecillo, both CUS leaders, were summoned to his office, but failed to appear.

The illegal trade unions include the Managua Professional Farm Workers Union (SITPA), the Miskitos Workers Union (SITRAMIS), the Clothing Workers Union (SITRAVENS), the El Viejo Miscellaneous Trades Workers Union, the Posoltega Workers Union, the SITRACAMPO, the Office Workers Union (SITRAOFICINICHI), and the Casares Fishermens Cooperative Workers Union.

Valerio Cortes said that the Ministry of Labor deals with all the applications for trade union membership, and where the CUS is concerned, the MITRAB is requiring that "the status of these unions be updated whenever applications are made."

Despite the fact that the legal requirements for establishing a trade union were simplified after the revolutionary triumph, the truth is that the CUS "unions" do not meet the requirements. Some of them do not have even 25 members.

Johannes Lopez Fonseca, the official in charge of trade union associations, said that the MITRAB, through its regional offices, has made inspections, "but the location of the premises is unknown, while in other cases, these unions simply do not exist."

The various trade unions in the country can choose among various categories of union groups to represent their workers. They may be guild, enterprise or miscellaneous trades groups, among other categories, this official said.

ISA Union Disqualified

However, the CUS has not been able to meet the requirements in any of the instances for the legalization of the ISA Faustino Martinez "union." The leaders of the CUS have represented this union as a guild, a form in which workers in the same profession are organized, but this group included farm, administrative and other workers.

Then they described the union as including several enterprises, seeking to link it with the Nicaragua Sugars workers. However, since together with the mill, they represent a single productive unit, operating the same machinery and directed by the same management, they therefore could not be enrolled as a union representing several enterprises either.

Lopez Fonseca says that in order to establish an enterprise union, it is necessary to include 60 percent of the workers. The application for legal status in 1981 showed 236 members, while the mill had 5,000 active workers.

In view of the evidence of illegality presented by the Ministry of Labor, the CUS turned to the Supreme Court, which refused to accept the petition for relief appealing its 27 January 1984 judgment.

Despite the response of the Supreme Court, which was reported in the CUS periodical SOLIDARIDAD, a publication was put out reporting falsely that the Supreme Court had not issued a ruling. This claim was made by the CUS to the representatives of the American Federation of Labor who visited Nicaragua, under the title "Comrade Reyes Cantillano Denounces the Silence of the Supreme Court on the Faustino Martinez Petition for Relief."

Almost all of the issues of the CUS periodical contain references to the Faustino Martinez "union," in an effort to make it appear that there is no trade union freedom in Nicaragua and to obtain economic aid.

The director general of labor said that "these trade unions, along with their opposition to the government, are adopting a series of negative attitudes and making false charges in an effort to distort the image of the government in the trade union sector."

He added that the Faustino Martinez "union" is an example of the way in which the CUS violates the principle of legality within the revolution and attacks the unity of the workers class.

Simplified Procedures

Currently, the procedures for legalizing a trade union have been simplified, and involve only submission of the minutes and bylaws approved at a workers assembly. These documents must be accompanied by three account books, the first for checking on the minutes and agreements, another containing data on the members, and the last for checking on the finances and administrative control of the union.

Prior to the revolutionary triumph, there were only 130 unions in the country, while there are today, organized in the various central federations, 1,347 union groups.

Johannes Lopez Fonseca says that "with the revolutionary triumph, some of the previous hindrances, such as the interventionist government requirement that a notary be present, have been eliminated."

Other requirements dropped, Lopez Fonseca added, include the tedious procedure of reporting in the government daily LA GACETA, and the requirement that the union "must define the period of its duration, with inspections of a special nature and the corresponding questioning, involving attitudes which almost forced leaders to abandon the creation of a union."

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DOMESTIC TRADE MINISTRY COMBATS ILLEGAL PRACTICES

Managua BARRICADA in Spanish 17 Jan 86 p 9

[Text] The battle against those who engage in speculation and usury is continuing throughout the country. Explanatory meetings attended by consumers, merchants and MICOIN [Ministry of Domestic Trade] officials, as well as popular campaigns and various operations, have been taking place in recent days in various parts of the country.

The organized people have provided a combative response to the criminal resistance of some merchants and producers, who refuse to adhere to the official prices.

"Speculation and usury are forms of attack upon our people," popular leaders have said. They have reiterated the determination to "use every weapon against the attackers."

Many Merchants Fined

Inspections of markets, meat sales, restaurants, dining rooms and clothing and shoe stores have been carried out in the city of Esteli by the MICOIN.

As a result of these inspections, 58 unscrupulous merchants were penalized in one 7-day period. They were given fines totaling more than half a million cordobas.

Reports from the regional office of the MICOIN indicate that prices had been changed on soft drinks, shoes, clothing, meals, beer and meat.

Six hardware stores were fined when it was found that they were earning disproportionate profits, reaching in some cases up to 980 percent.

Seizures and Fines in Occidente

"By striking a blow at speculation, we are defending the revolution," and "by combating the speculators, we defend our conquests." These were the slogans chanted by the thousands of citizens of Leon who marched through the streets of their town last Tuesday in a combative demonstration.

The demonstrators voiced their total support of the measures the MICOIN is sponsoring in accordance with the Consumer Defense Law, and they pledged that they would continue to maintain a permanent attitude of vigilance and mobilization.

In various operations sponsored by the MICOIN in the markets of this city, in addition to the imposition of fines on those who change prices, a number of items have been confiscated because the required documents showing their origin were missing. Also, those who had violated the law were fined.

Together with the above, a series of meetings has been held in this region to explain the Consumer Defense Law and to discuss its application with various sectors.

An example was the meeting held at the Miguel Angel Ortez National Institute in Chinandega, in which sellers at the central market in the city participated.

Trade union leaders met last Tuesday, also in Chinandega, and they expressed their decision to make each worker a people's inspector capable of confronting any speculator or usurer. The regional CST [Sandinist Central Organization of Workers] proposes to continue the explanation of the various measures sponsored by the MICOIN at each labor center.

Merchants Fined in Region IV

Some 400 merchants were penalized with fines ranging from 1,000 to 10,000 cordobas in connection with the operation sponsored by the MICOIN in this region under the slogan "every weapon against aggression."

In Jinotepe, 12 individuals have been fined since 10 January last, the date on which the operation began. In Masaya, 2 tons of citrus fruits, bananas, and pork, 30 quintals of corn, oil and soap, and other basic consumer items, worth some 4 million in all, have been confiscated from the Ernesto Fernandez market.

A number of those who rent space at the market voiced the need for control of the prices they must pay producers and wholesalers. "We cannot sell for less than we pay," they said.

A Million Cordobas in Fines and Seizures

The fines imposed and goods confiscated by MICOIN Region V [Boaco, Chontales and Zelaya Central) officials in the war to the death against speculation and usury have totaled more than a million cordobas to date.

Among the items seized were milk products, clothing, shoes, basic grains, tools for farm production and medicines.

The zones most affected in the battle against speculation are Juigalpa, Boaco, Santo Tomas and Nueva Guinea.

Pompilio Fitoria, a regional MICOIN official, has revealed that among the goods confiscated on the weekend were 13,469 units of popular medicines and 629 units of various items needed for farm production. These were seized from merchant Alberto Espinoza Lopez, who had changed prices to the detriment of the rural and urban residents in the municipality of Camoapa.

In Juigalpa, moreover, Adalberto Martinez of the regional MICOIN office announced the fines imposed on merchants Eduardo Ruiz and Julio Lacayo, as well as the CACHO, which produces milk products. The first two individuals will have to pay 50,000 cordobas each, while a fine of 70,000 cordobas was imposed on the cooperative.

Clandestine dealers in illegally priced goods have also been dealt with harshly. This group includes Florentin Arguello, who was fined 100,000 cordobas. Also, it was announced that the supply source of merchant Juan Corea was blocked, because of the relations his business maintained with clandestine suppliers.

Violations by Dairy Cooperative

Florencio Jarquin, a MICOIN official in Jinotega, denounced the criminal attitude of the milk producers organized in the Otto Casco Cooperative

These producers refused to accept the official prices established by the MICOIN for milk and dairy products. "They prefer to release the cattle, lose the milk and the curd," this official said. He added that the decision had been made to "impose fines, and not to allow these individuals, misnamed producers, to engage in manipulation."

During his explanation, this official announced the main fines imposed to date by the people's inspectors, working with the Sandinist police and with the support of the organized people.

Alejandro Castro, a CDS [Sandinist Defense Committee] leader, on the other hand, voiced his organization's support of the MICOIN, in connection with the criminal activities of the dairymen, and he proposed that contact be made with milk producers in other zones and regions in order to ensure a supply of this vital product.

At the same time, this popular leader announced that his organization is drafting a proposal concerning the slaughter of cattle. "It calls for the municipality to exert control and for sale outlets to be established in each neighborhood," Castro said.

The regional office of the MICOIN, for its part, has announced the decision to sponsor various seminars in order to provide the population with knowledge enabling the citizens to be active participants in the campaign against speculation. Workers, housewives and the people in general will participate in the meetings.

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CSO: 3248/242

NICARAGUA

CTN MEMBER UNIONS ANALYZE 1985 ACTIVITIES

Managua LA PRENSA in Spanish 21 Jan 86 p 5

[Text] The trade unions in the agro-industrial branch affiliated with the CTN [Central Organization of Nicaraguan Workers], such as those at Poultry Enterprises, Corona Oil Production and Nutribal, are summarizing their activities with a view to the better development of their role as defenders of the workers class.

One of their proposals is to pursue internal discussions about social, economic and trade union problems, the secretary of this trade union organization in charge of organization and training, Miguel Angel Salgado Baez, said.

This leader spoke of 1986, at its beginning, as a year of the greatest importance to the workers class in general, since various social problems exist throughout the country.

He said that in the Corona Oil Production union, no problems have developed. All that has happened is the wage adjustment consistent with the new provisions of the SNOTS. He said that the membership includes 25 workers at that enterprise.

The collective bargaining agreements are being reviewed, and both the enterprise and the workers retain the rights provided by the law in effect.

As to the trade union organization in the poultry sector, including the Nutribal Concentrates Enterprise, which is a part of the MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], this trade union leader said that in July of last year, the new agreement in effect, which benefits a total of 250 workers and employees, was signed.

Salgado Baez also said that at the La Estrella poultry concern, a positive advance was seen in relations between workers and management.

In connection with Nutribal, he said that there were some problems, which have been resolved on the basis of frank dialogue. The agreement signed by 180 out of the total number of workers remains in effect.

The CTN maintained close relations during last year with the SIMOTUR [Trade Union of Urban Transportation Drivers], but to date the legal status of the union, which made application a year ago now, has not been approved by the Departmental Inspectorate of Labor and the Associations Department.

The demand for a total sum of 3 million cordobas for the workers, on which a favorable ruling was handed down, could not be met by management. As a result, a new appeal has been filed with the Appellate Court for a review of the case by the Ministry of Labor.

At the ENABUS [National Bus Enterprise], a number of workers who had been dismissed were reinstated, with payment of back wages.

These reinstatements included some 12 workers who had no reason to become a cause of labor conflict again, since the SIMOTUR has explained to and directed the workers that they must first be responsible in their jobs and comply with the internal regulations of the enterprises in order to have a right to claims.

Salgado Baez said that 1986 will be a year of labor improvements. Without any doubt, the trade unions throughout the country are now very mature, he said.

Achievements at LA PRENSA

The CTN has announced that the LA PRENSA Workers Union also achieved helpful results during 1985. A number of benefits were provided by the enterprise, with more than 250 employees sharing in profits or receiving bonuses as well as all their social welfare contributions. Also, there was faithful adherence to the wage tables, and there were no dismissals or misunderstandings other than the normal cases of resignation or simple legal notices on ordinary matters.

The LA PRENSA union was also reorganized, where its board of directors is concerned, and it has been reactivated to function in 1986 on the basis of the law and the demands of the workers, the representative of the CTN said. He added that the workers union at this newspaper is affiliated with the central organization.

Siemens Union

The CTN also directs the activity of the workers union at the Siemens enterprise, of German origin. No adverse problems have occurred there. On the contrary, the year has been one of very positive activities, although some branches of production were down considerably, for various reasons.

There were no dismissals at Siemens in 1985. However, this union is still awaiting approval of its legal status, although it does in fact exist.

"The Department of Trade Union Associations has been asked to convoke elections of officers at various unions, but the ministry has not dealt with this case, strangely enough, as it has with the other central workers organizations," the CTN leaders said in conclusion.

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NICARAGUA

BRIEFS

NEW ANIA OFFICERS--The Nicaraguan Association of Engineers and Architects (ANIA) has announced that the boards of directors of the four collegiate groups were elected last Tuesday at the Intercontinental Hotel. The results of the elections were as follows: College of Civil Engineers--Rene Gutierrez Cortes, director; Ernesto J. Robleto, secretary; and Marcos Delgadillo, treasurer. College of Mechanical and Electrical Engineers--Humberto Miranda S., director; Moises Gutierrez U., secretary; and Reinerio Montiel, treasurer. College of Industrial Engineers--Noel Cuarezma; director; Alfredo Solorzano, secretary; and Armando Sequeira, treasurer. College of Architects--Hugo Zambrana S., director; Jose Tercero B., secretary; and Erasmo Vargas S., treasurer. With the elections for the ANIA colleges completed, its board of directors for the 1986-1987 period is as follows: president--Jaime Icabalceta M., secretary general--Donald Delgadillo T., controller--Joaquin Zepeda A., and publications director--Mario Martinez. Voting members include Rene Gutierrez, Humberto Miranda, Noel Cuarezma and Hugo Zambrana. In accordance with the bylaws of the ANIA, the new officers will be installed early in February. The date and hour of the installation of the new board of directors will be announced in due course. [Text] [Managua LA PRENSA in Spanish 17 Jan 86 p 8] 5157

CSO: 3248/242

PARAGUAY

COMMUNIST PARTY MEMBER ON U.S. INTERVENTIONISM

PY300003 Moscow Radio Peace and Progress in Spanish to Latin America 0310 GMT 26 Jan 86

[Article by Paraguayan Communist Party member Ananias Maidana]

[Text] Just recently Daniel Clare, charge d'affaires [title as heard] of the U.S. Embassy in Asuncion, Paraguay, and other high-ranking U.S. diplomatic officials invited several Colorado Popular Movement [MOPOCO] leaders to a working luncheon. During this meeting the participants exchanged opinions about the Latin American political status quo, especially that of the southern cone countries, the main issue being democracy U.S.-style, that is democracy without communists.

In early January this year, U.S. Ambassador Taylor met at the headquarters of the Revolutionary Febrerista Party [PRF] with the leaders of the political parties that belong to the National Accord, namely, the MOPOCO, the PRF, the Authentic Radical Liberal Party [PLRA], and the Christian Democratic Party [PDC].

Faced with the active and overt participation of top yankee embassy officials in the nation's political activities, the criminal interior minister, Sabino Augusto Montanaro publicly stated, among other things, that the U.S. ambassador was interferring in Paraguayan domestic affairs.

But who is unaware of the fact that the U.S. imperialism, the international gendarme and exploiter and the (sworn) enemy of all the people, was the one that organized and financed the bloody [as heard] coup d'etat on 4 May 1954 through which Nazi General Alfredo Stroessner and his gang of traitorous generals gained access to power.

Even Stroessner, trying to prove that he is a faithful servant of the imperialists, has repeatedly stated that the U.S. ambassador is a member of his government. The people also know very well that the great patriot, Augusto Montanaro, is the main executor of the criminal plans for repression, torture, murder, kidnapping and disappearances of Paraguayan patriots and democrats prepared by CIA advisers at the Interior Ministry.

Then what has been happening in Paraguay to compel the representatives of Reagan's terrorist administration to start running around and making all sorts of contacts with not only government political leaders and those of the bourgeois and landed opposition, but also with certain union leaders and those of other Paraguayan social sectors?

It is obvious that after the total failure of last October's electoral farce, the position of Stroessner's crowd has been further weakened, the economic crisis has gotten dangerously worse and corruption has reached unbearable levels. Dissatisfaction and indignation are spreading through many popular sectors, the bloody terror has not managed to thwart the mobilization and the ever increasingly more aggressive organized and united onslaught of the workers, the peasants, the students and other sectors of the population in the quest for their most pressing economic and democratic requirements.

The (dictatorship) is more isolated and hated than ever, divided into two factions, the militants and the traditionalists, a division that is weakening it even further. All parties and movements are stepping up their efforts to regroup, and the confrontation between a traitorous and scheming minority and the majority of patriotic, democratic and revolutionary groups is getting more and more severe.

This is why the U.S. Embassy, following orders from the Reagan administration is again scheming with bourgeois and landed opponents to implement something they have shamelessly and publicly declared more than once: it is better to plan an orderly and moderate transition in order to move toward a democracy without communists.

Even Stroessner, who has always mocked democracy and prided himself on being the head of a government free from weakness and closed to alien ideas, is now being forced to talk about democracy without communists.

The U.S. interventors and their native serfs hope to come up with a scheme to prevent revolutionary, democratic and patriotic movement. All these efforts are helping fuel the hate that the masses feel toward the imperialists and the pro-yankee traitors of the opposition. They help the Paraguayan people to understand better that it is impossible to destroy the dictatorship and establish a system of total freedom without releasing the country from U.S. domination at the same time.

The Paraguayan Communist Party wants to announce that conditions are now appropriate to defeat the dictatorship's plan to remain in power and the imperialist projects, even before the electoral farce that is being prepared to reelect the tyrant Stroessner for the 1988-1993 term in office.

For this possibility to become true all antidictatorial civilian and military forces, especially the workers, the peasants, the students and the young patriots of the Armed Forces must develop unity, organization and decisiveness. Unity without any exclusions is the key to the victory of antidictatorial forces.

/9738
CSO: 3348/449

PARAGUAY

BRIEFS

POLICE RAID OPPOSITION--The residence of a Colorado Popular Movement [MOPOCO] leader Miguel Angel Gonzelez Casabianca was raided this afternoon. The police carried a search warrant signed by Judge Cesar (Rey) Martinez. Reliable sources also reported that the houses of another MOPOCO leader, Marcos Bibolini Quarante, and of Authentic Radical Liberal Party Secretary General Miguel Abdon Saguier were also searched by the police. [Text] [Asuncion Radio Paraguay in Spanish 2104 GMT 17 Feb 86 PY] /9738

RELIEF FROM HARASSMENT SOUGHT--National Accord President Waldino Ramon Lovera's home is still under police surveillance. He is not allowed to receive any visitors or travel freely throughout the city. His relatives have also reported that he receives telephone threats as part of a campaign of harassment. Given his difficult situation, Lovera requested the court to issue a writ of Habeas Corpus and to lift the restrictions imposed on him because they contradict the National Constitution. Lovera was seen this morning in the Supreme Court of Justice filing the case on his own behalf. [Text] [Asuncion ULTIMA HORA in Spanish 14 Feb 86 p 10 PY] /9738

CSO: 3348/449

SURINAME

BRIEFS

SHIPMENTS TO AMELIORATE MEAT SHORTAGES--Surinamese Airlines will fly in beef and pork tomorrow from California, the United States. On Friday, an air shipment of chicken will come in. As a result of the shortage of specified kinds of meat that has arisen in local markets, the Ministry of Transportation, Trade, and Industry has decided "to import meat for a very short time" in order to assure protein intake levels. This is being done "in order to insure that the especially large group of people possessing the most modest resources are able to get a good piece of meat at affordable prices." [Excerpts] [Paramaribo DE WARE TIJD in Dutch 19 Feb 86 p 1]

CSO: 3214/38

LIBYAN BUREAU ON 'ZIONIST, IMPERIALIST' PROPAGANDA

PA32029 Caracas EL UNIVERSAL in Spanish 20 Feb 86 p 1-27

[Statement issued by the People's Committee of the Libyan People's Bureau of the Socialist People's Libyan Arab Jamahiriyah in Venezuela; no date given]

[Text] In the face of the fierce and insatiable information campaign carried out by spokesmen of Zionism and imperialism by spreading hatred and an aversion through propaganda and biased and false accusations in a barefaced and dishonest way, this People's Bureau of the Socialist People's Libyan Arab Jamahiriyah wants to express regret for and reproval of this campaign of intrigue and slander launched by certain media, under the pressure of agents of imperialism and Zionism, in order to harm the existing relations between the Socialist People's Libyan Arab Jamahiriyah and the Republic of Venezuela, two friendly countries and OPEC members.

This campaign is also aimed at covering the crimes and aggressions of imperialism and Zionism, which continually and constantly attack the peaceful peoples of the world, especially those fighting for their liberation.

In view of these facts, the People's Bureau of the Socialist People's Libyan Arab Jamahiriyah wants to assert the following:

1. With the greatest effort, we zealously protect the good relations with the people and government of Venezuela and, regarding this, it would be unthinkable for us to give any support for acts that are aimed at stirring and disturbing the security of this friendly country, much less for us to be interested in upsetting the good relations between Libya and Venezuela.

2. This campaign is just one more link in a chain of actions planned and organized by imperialism and Zionism against the Libyan people, the objective of which is none other than isolating them and obstructing their noble and courageous attitude of support for and solidarity with the oppressed peoples who are fighting for their freedom in different parts of the world.

3. The attempt to interpret the existence of Arab and Islamic congresses, centers, and clubs as nests of terrorism is just a propagandistic, malicious, and unrealistic lie. Such falsehoods are nurtured by the hatred, the fanaticism, and the racism that become evident in each action carried out by imperialism and Zionism. In this case, these false arguments are being used to disturb the peace prevalent between the Arab Islamic colony and the Venezuelan people.

4. The relationship of Libya with the Arab congresses, clubs, and associations are of a noble and honest nature and are aimed at fomenting understanding, comprehension, and cooperation between the Arab and Venezuelan peoples in all aspects, especially in the cultural and social ones.

5. We warn that, after failing in their attempts to terrorize our people with their fleets and planes in order to subject them to a policy of vileness and treason, imperialism and zionism sought the implementation of deceitful but cunning methods to hurt the relations of the Jamahiriyah with friendly countries and especially with those that are members of, together with the Jamahiriyah, international organizations such as OPEC, by sowing discord and division, thus breaking the efforts made to again create a balance in the oil market.

6. The true terrorists are those who violate the people's freedoms by navigating with their fleets through the seas of the world, threatening peaceful countries with their constant military provocations, flying with their planes to engage in air piracy and threatening world peace persecuting and striking freedom fighters throughout the world, promoting conspiracies, sowing disagreement, and nurturing military confrontations in order to back and benefit imperialist interests.

7. The Green Book is not a dictionary of terrorism as some may think. It is a new guide to improve civilization, whose goal is to solve man's political, economic, and social problems. Those who attack the Green Book, in fact, do not understand its message that becomes crystallized in the Third Universal Theory to solve human problems.

8. Ties of blood and roots unite us with the Arab colony. Our mission as a unifying Arab country is that we are concerned about the tranquility and welfare of the Arab colony and we feel that we must participate in the development of their historical message, in the construction of warm and friendly relations between the Arab nation and the countries where they reside. We offer simple aid to this colony; not to sow terrorism or disturb regimes, but to develop their programs of friendly relations and the dissemination of the Arab culture and civilization among the Venezuelan people.

9. In conclusion, we are convinced that with the consolidation of the liberator Simon Bolivar's noble principles and free objectives, the people and government of Venezuela will not permit the spokesmen of lies and the corrupt agents to attain their goals and deteriorate the relations between the two peoples, the Arab and the Venezuelan, through the attempted implementation of a policy of division and hatred.

We again reiterate that we have come here to strengthen the relations and the ties of love, friendship, and cooperation between the Libyan Arabs and the Venezuelan people so that our policies will not be affected by this biased propaganda.

/12232
CSO: 3348/453

VENEZUELA

TARRE MURZI ON POLL RELIABILITY, OTHER ISSUES

Caracas EL DIARIO DE CARACAS in Spanish 19 Jan 86 p 17

[Article in the column "Political Labyrinth" by Alfredo Tarre Murzi]

[Text] The Gaither Poll and Popularity

The Gaither public opinion poll is so objective, so independent and so honestly truthful that it is necessary to go to Miraflores to give the president of the republic the good news about his unchanged popularity. The members of the AD [Democratic Action] themselves do not believe in this 61 percent popularity with the man in the street, to judge from the daily chaos in the ill-advised measures of the government. It would be useful, timely and desirable if other enterprises engaged in taking polls and less closely linked with the government party were to tell us, at the end of this crucial January, how the creditability of the government and the prestige of the president are really developing, following the increases on foodstuffs, services and fuels. And all of that quite apart from the dramatic deterioration dragging down a regime which is increasingly at odds with the humble classes because of its tendency toward indulgence in luxury and bureaucratic excesses, its constant flirtation with the oligarchy, its abandonment of the workers class, and the chaos and administrative corruption above and below, in the midst of outrages committed against journalists and the disaster in the police and court systems. Gaither is a part of the world of invention and "deals." It would be good to know how much this enterprise is paid out of the secret Miraflores funds and what links the leaders of the official party have with these businessmen who measure public opinion on the basis of the requirements and demands of an official who lives and breathes good fellowship and likeability in order to promote his personal image.

The Other Survey

In this matter of public opinion polls concerning the nature of the government in office, it is obvious that everything depends on the lens through which one views the national reality. As compared to the rosy and well-paid view of Gaither, there are data, figures and results from another recent survey, that published by the Mercanalisis firm. The people can judge which of the two is more serious and convincing.

Mercanalisis made a survey in December, prior to the measures establishing new and higher prices for foodstuffs and services, with results rather close to the real situation and with the appearance of credibility, because Mercanalisis is not an AD enterprise.

Let us look at the results of the Mercanalisis survey.

To the question as to how those interviewed would describe the Lusinchi government, 24 percent answered "good," 55 percent "normal," and 13 percent "bad."

A word to the wise is sufficient. Adding together those who said "normal" and those who said "bad," we get 68 percent. Among ourselves we know what "normal" means. It is a euphemism used to avoid saying "bad," or at a very minimum, it indicates a lack of total approval of the government administration. The 24 percent figure for the people who merely said "good" has no value, because it represents the AD membership. Thus the popularity reported by Gaither only exists in the minds of Gaither and those who pay Gaither.

Mercanalisis provides other very important information.

More than 50 percent of the population thinks that the situation in the country is worse than before, or will not improve in 1986.

With regard to the point scores of the various parties, the AD obtained 44 percent, the COPEI [Social Christian Party] 20 percent, and 25 percent declared themselves to be independents. Thus 55 percent of the citizens of Venezuela today do not support the government, and, on the basis of tradition, these people will vote in the end for the slate of the majority in the opposition. Thus after 2 years of AD government and with all of the frantic demagogy and blatant populism, the AD represents a minority. Imagine what the situation will be like within 2 years!

Caldera continues to head the list of political leaders, with a solid 32 percent, followed by Carlos Andres Perez with 29 percent. But as the latter is not to the taste of the government and Lusinchi does not favor his own reelection, the actions of the COPEI are intensifying considerably. This party has, moreover. a reserve in the person of Eduardo Fernandez, with 19 percent, with which to surpass Penalver, Lepage and Leandro Mora. A large majority expresses great concern about the deteriorating quality of life and the increase in crime and corruption. Good for Mercanalisis, which had the happy opportunity to reestablish the truth!

A Certain Way of Governing

This experienced and most marvelous government, a model of seriousness and an example of responsible conduct, so popular in the surveys, has within one week committed tremendous blunders to the detriment of the public treasury and the credit of this state. First it promulgated a decree on tax withholdings from income, a worthless and unexpected decree, and 10 days later it found itself forced to amend it by the elimination of major norms and changes in other articles. This has not been seen since the days of the October Revolution, when daily changes were made in the decrees of the council "due to copying errors." In another country the minister of finance would already have been dismissed for incompetence, as revealed by this outrage, and another sizable error involving an erroneous estimate of the fiscal cost of increasing the salaries of government employees. Now there are 500 million bolivares more than had been established and guaranteed by Dr Azpurua, a minister who should resign, in the qualified opinion of Dr Jose Vicente Rangel, but not just to be replaced by the Keynesian Sanchez Bueno, because the cure would be a thousand times worse than the disease. This is the method of government used by the AD through the years, not to mention the increase in the foreign indebtedness by an additional $458 million, without ever paying back a cent of the foreign debt. And not to mention the instances of corruption, to which the response has been a deafening silence.

Freedom and Protection

Journalist Ruben Chaparro was jailed and then released, with the judge recommending that he abstain from exercising the right to criticize, and meanwhile the sword of Damocles continues to hang over his trial. A former president of the Central Bank of Venezuela and minister under the last government also went to prison because he voiced an unfavorable opinion of a voting member of the Supreme Court. Retaliation and petty sectarian vengeance continue under the cloak of justice and the state of law, while honorable government leaders have obtained a writ of habeas corpus for Diego Arria from their own judges, and while the scandalous case of corruption with the vice minister of agriculture as its protagonist, which has been denounced in the Congress on the basis of clear and indisputable evidence, is being covered up. At the same time there are silence, concealment and protection for very high police officials, such as Commissioner Juan Oswaldo Granadillos, director of the DISIP [Directorate of Intelligence and Prevention Services], who owns and operates a private investigation firm. At the same time, the daily newspapers are reporting that jewelry worth 200,000 bolivares "was lost" at the DISIP, according to an explicit charge made by an officer in the armed forces. Government criminals enjoy freedom and protection, while the lot of opposition journalists is jail and threats. Here we have a partial assessment of this "popular" and honest government, while the Protection Law and the Safeguards Law are notable for their absence. Long live AD [Democratic Action] democracy!

The Death Agony of the Tripartite Commission

The effort to promote collaboration among the state, businessmen and trade unionists was born after World War I, through the International Labor Organization, and it has been a constant factor for almost 66 years. But under the Jaime Lusinchi government in Venezuela, it has been a failure, a futile task, a chimera. This has not been due to ill will on the part of the employers and the workers, but rather the irresponsibility and stupidity of the government. The brand new and famous Tripartite Commission, the successor to the no less celebrated CONACOPRESA, is on the brink of disappearance today due to the drastic impairment of the understanding vital to the attempt to resolve the tragic social and economic problems of the country. Businessmen complain of the lack of seriousness on the part of the government and its rash and one-sided decisions, while the trade unionists, for their part, protest against the deception of which they are the victims, and the incomplete, timid and partial wage measures characteristic of a dissembling populist regime which does not know how to govern, or tries to govern with the "immense popularity" of the president as its sole justification. We are witnessing the death agony ofand last rites for the much-vaunted tripartite system, for which we have a dissolute, irresponsible and arbitrary government to thank. The labor prospects, with dialogue and consensus lacking, are becoming increasingly alarming, in the midst of the social explosions prophesied by the authorized voice of the church.

Depression and Paralysis

The voices heard in the streets, surrounded by the official brouhaha, are lugubrious in tone. The recent cabinet change served the purpose of deepening the crisis and the skepticism of the entire nation, despite the siren song of the "admirers" in the press sector and the "pollsters" whose pockets are being lined with government money. As serious and calm a man as Dr Alfredo Morales Hernandez, president of the Caracas Stock Exchange, notes the dramatic depression of the stock market due to the deterioration resulting from economic stagnation. Currently, and as a consequence of the policy of the government party, there are fewer enterprises registered with the Caracas Stock Exchange with every passing day, and the activities of that body, which measures and records the fluctuations in the financial situations of the National Stocks Commission and the economic bodies in the public sector, are becoming increasingly sporadic and feeble. At the Industrial Bank, on the contrary, there is a hint of internal crisis, while former minister Rafael Martin Guedez is indignant in his rejection of the administration of the BANAP [National Savings and Loan Bank]. The stock market is as depressed as the construction industry, now in a state of collapse, while Lusinchi rubs his hands in satisfaction at the results at the Gaither poll and the success of his economic policy. The Venezuelan "crash" is spreading everywhere except in the minds of these new incarnations of Pangloss to be found in Miraflores.

5157
CSO: 3348/426

VENEZUELA

RELATIONS WITH BRAZIL REPORTEDLY IMPROVING

Caracas EL DIARIO DE CARACAS in Spanish 21 Jan 86 p 14

[Text] The new ambassador of Brazil appointed by the government of President Jose Sarney to serve in Venezuela, Paulo Enrique de Paranagua, will arrive in this country in the second half of the month of February. This will be prior to the final arrangements and the possible delivery toward the middle of the year of the 30 Tucano training planes purchased by the Venezuelan Air Force (FAV) from Brazil.

The new Brazilian representative is replacing Ambassador Affonso Arinos de Mello Franco. He is a career diplomat and has most recently been serving as ambassador to Morocco. Venezuela is also sending a new ambassador to Brasilia.

De Paranagua will arrive in Caracas at a favorable moment in the bilateral diplomatic relations with Venezuela, which have been undergoing gradual improvement since the administrative term of Carlos Andres Perez. They have benefited from the more open approach and the process of democratization which Brazil has experienced internally.

Negotiations for and the purchase of the Tucano planes, although this was not a transaction between governments, are in part due to the improvement in the relations between Venezuela and Brazil, and this step is interpreted by those who sponsored it as an evidence of confidence between the two nations.

Diplomatic sources consulted have said that the Brazilian training planes will arrive in the country toward the middle of the year, since one small detail of a technical nature still remains to be resolved.

The Venezuelan Air Force purchased the 30 Tucano planes from the EMBRAER [Brazilian Aeronautics Company] for a total of almost $50 million. This transaction was approved by the Congress of the Republic through the Chamber of Deputies Defense Commission, where the matter was discussed at length last year.

Brazil has increased its industrial park, with the establishment of a military industry as a part of its development. The export of weapons and planes has come about as a consequence of a pragmatic government policy, as well as thanks to the need to acquire foreign exchange because of the critical economic situation being experienced, diplomatic sources said.

One of the questions raised in connection with the purchase of the Tucano planes by the FAV was the geopolitical "issue," that is to say the potential danger posed to Venezuela by the purchase of war materiel by a neighboring country. A Brazilian diplomat recently told this reporter that the question should also be considered from the Brazilian point of view, in terms of the risk, also geopolitical, to that country in selling planes, even if only for training purposes, to Venezuela. Therefore, he said, this truly is an evidence of confidence between the two countries.

At present Venezuela and Brazil are reviewing the possibilities for trade and cooperation. The Casa Amarilla and Itamaraty Palace have not wanted to hurry the date for a meeting of the Venezuelan-Brazilian Mixed Coordinating Commission, before the areas in which agreement is needed could be precisely and creatively identified. In addition, the process of increasing trade exchange, for example, involves more than just the governments, since it is also the task of the state to provide incentives to private businesses to participate. In the past year, the trade balance was not favorable, and it showed a decline in comparison to earlier years.

Support from the EEC

A new message from the European Community and its 12 members, addressed to governments of the member nations of the Contadora Group and the Support Group, was made public yesterday in all of the capital cities of the EEC countries, and it was delivered to the eight Latin American governments through their accredited representatives. The emissary in Caracas was the ambassador of The Netherlands, Christianus Thurkow, who handed the message to Minister of Foreign Affairs Simon Alberto Consalvi.

In its message, the EEC expressed its satisfaction with the impetus given to the process of peace in Central America by the Contadora and Support Groups, and in particular the fact that the principles and goals agreed upon in Caraballeda were endorsed by the five Central American countries in Guatemala. The balanced and comprehensive method used in the efforts of the Contadora Group, as set forth in the Caraballeda Message, was also stressed, and the EEC made its good offices available to the Contadora Group with a view to contributing to the process of peace, stability and democracy in Central America.

5157
CSO: 3348/426

VENEZUELA

BRIEFS

INTERNATIONAL RESERVES--According to the most recent figures issued by the Central Bank of Venezuela, the country's international reserves as of 14 February stand at $13.928 billion. [Excerpt] [Caracas EL UNIVERSAL in Spanish 20 Feb 86 p 1-1 PA] /12232

MEASURES TO CONFRONT OIL CRISIS--The Venezuelan finance and development ministers have announced cuts in operating expenses, a strong control of the supply of foreign exchange, and greater use of national products. These are some of the measures adopted to confront the crisis caused by the drop in the price of oil. Venezuelan President Jaime Lusinchi recently reported that due to the drop in the price of oil, foreign exchange revenues would drop by $4 or $5 billion. [Text] [Havana International Service in Spanish 1600 GMT 6 Mar 86 PA] /12232

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END

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Latin America Report

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HONDURAN AIR FORCE HEAD VIEWS NICARAGUAN THREAT

Tegucigalpa LA TRIBUNA in Spanish 7 Jan 86 p 3

Article by Adelmo Argueta

[Text] Speaking to reporters at a transfer of command ceremony at the Armando Escalon airforce base in San Pedro Sula yesterday, Col Francisco Zepeda Andino, general commandant of the Honduran Air Force, said that he had no concern regarding a Nicaraguan invasion of Honduras, since Nicaragua has neither the necessary military resources of its own, nor sufficient backing from abroad to undertake such an invasion.

At the ceremony, conducted by Zepeda, Lt Col Jose Israel Navarro Carrasco handed over the baton of command of the base to Lt Col Alberto Urbina Reyes, commandant of the Hector Caraccioli Moncada Airbase at La Ceiba, Atlantida.

Actually it was an exchange, since Navarro Carrasco was to become the new commandant of Caraccioli Moncada.

Col Zepeda paid tribute to the fine contribution made by Navarro Carrasco during his three years at Armando Escalon, and presented him with a replica of the baton of command to keep as a memento. He said that the incoming commandant, Colonel Ursina, "is not a stranger here as many of us are."

In his remarks to newsmen, mentioned above, Zepeda said he felt no concern about a Nicaraguan invasion of Honduras. "That country does not have the necessary strength, at the national or at the international level."

He also noted that the base at Palmerola, a few kilometers distant from Comayagua, "is a Honduran base, and not an American one. Furthermore, it was established in 1976, and not in 1979, as reported by one Honduran newspaper." He added that only yesterday Lt Col Marco Tulio Rivera was named to take command of that base, "which proves that Hondurans are in charge."

Lt Col Jose Israel Navarro yesterday assumed command of the La Ceiba airbase in a ceremony similar to the one at San Pedro Sula.

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CSO: 3248/0229

JAMAICAN OFFICIAL CALLS FOR REGIONAL WAR ON DRUGS

Kingston THE DAILY GLEANER in English 20 Feb 86 p 3

[Text]

BRIDGETOWN, Feb. 19, (CANA) Jamaica's Minister of Public Utilities and Transport, Pearnel Charles, issued an impassioned plea today for Caribbean co-operation in fighting drug trafficking.

"I want to say to you that before we have to seek outside assistance let us join forces in the Caribbean to prevent the monster from destroying law and order in our countries, from destroying the future of our children and from destroying our countries as a whole," Charles told Caricom transport ministers.

The ministers are discussing air and sea links within the region but Charles said they also have been concerned with drug trade since it was using established means of communication.

"There is a new form of terrorism mobilised by outside forces using our ministries of transportation and communication as they enter into our region and I ask you to take a very strong look at what is happening around us," the Minister said.

Jamaica's national airline has been heavily fined in recent months by American customs officials because of drug finds on its aircraft.

Charles said Jamaica was under attack from drug traffickers.

"The amount of cocaine landing in Jamaica these days is enough to turn all our children into zombies," he told the ministers.

Two weeks ago more that 1,200 pounds of cocaine with a street value in excess of US40 million dollars was seized in the island.

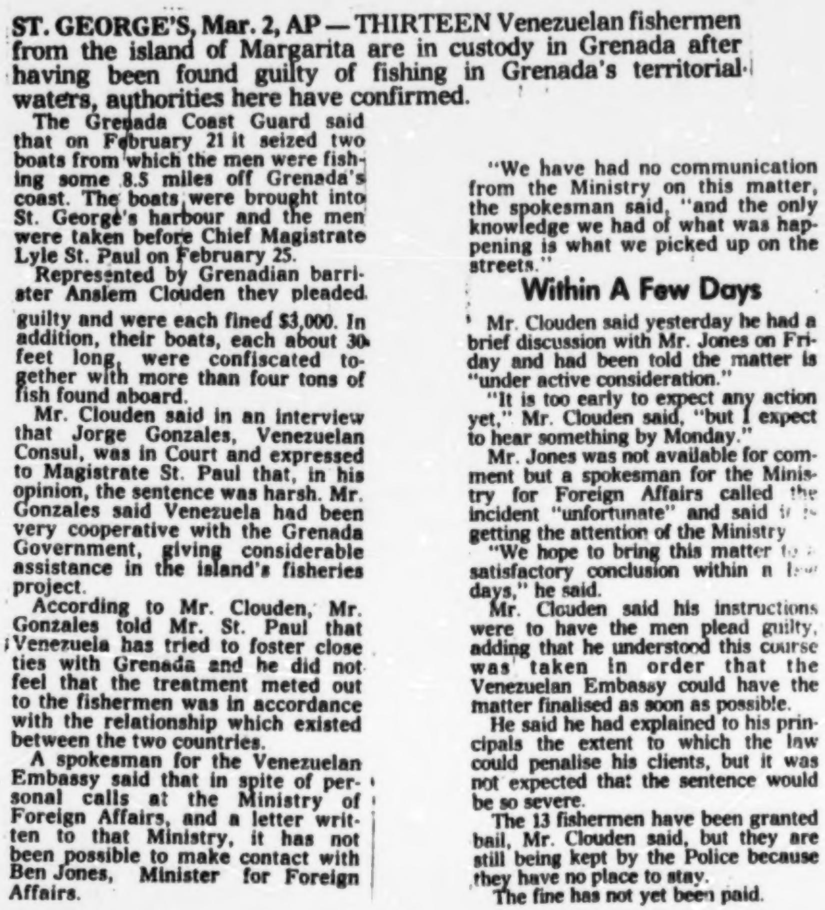
/9317
CSO: 3298/361

INTER-AMERICAN AFFAIRS

VENEZUELAN FISHERMEN SEIZED, FINED BY GRENADA

Port-of-Spain TRINIDAD GUARDIAN in English 3 Mar 86 p 5

[Text]



ST. GEORGE'S, Mar. 2, AP — THIRTEEN Venezuelan fishermen from the island of Margarita are in custody in Grenada after having been found guilty of fishing in Grenada's territorial waters, authorities here have confirmed.

The Grenada Coast Guard said that on February 21 it seized two boats from which the men were fishing some 8.5 miles off Grenada's coast. The boats were brought into St. George's harbour and the men were taken before Chief Magistrate Lyle St. Paul on February 25.

Represented by Grenadian barrister Anslem Clouden they pleaded guilty and were each fined $3,000. In addition, their boats, each about 30 feet long, were confiscated together with more than four tons of fish found aboard.

Mr. Clouden said in an interview that Jorge Gonzales, Venezuelan Consul, was in Court and expressed to Magistrate St. Paul that, in his opinion, the sentence was harsh. Mr. Gonzales said Venezuela had been very cooperative with the Grenada Government, giving considerable assistance in the island's fisheries project.

According to Mr. Clouden, Mr. Gonzales told Mr. St. Paul that Venezuela has tried to foster close ties with Grenada and he did not feel that the treatment meted out to the fishermen was in accordance with the relationship which existed between the two countries.

A spokesman for the Venezuelan Embassy said that in spite of personal calls at the Ministry of Foreign Affairs, and a letter written to that Ministry, it has not been possible to make contact with Ben Jones, Minister for Foreign Affairs.

"We have had no communication from the Ministry on this matter, the spokesman said, "and the only knowledge we had of what was happening is what we picked up on the streets."

Within A Few Days

Mr. Clouden said yesterday he had a brief discussion with Mr. Jones on Friday and had been told the matter is "under active consideration."

"It is too early to expect any action yet," Mr. Clouden said, "but I expect to hear something by Monday."

Mr. Jones was not available for comment but a spokesman for the Ministry for Foreign Affairs called the incident "unfortunate" and said it is getting the attention of the Ministry

"We hope to bring this matter to a satisfactory conclusion within a few days," he said.

Mr. Clouden said his instructions were to have the men plead guilty, adding that he understood this course was taken in order that the Venezuelan Embassy could have the matter finalised as soon as possible.

He said he had explained to his principals the extent to which the law could penalise his clients, but it was not expected that the sentence would be so severe.

The 13 fishermen have been granted bail, Mr. Clouden said, but they are still being kept by the Police because they have no place to stay.

The fine has not yet been paid.

/9317
CSO: 3298/361

CHILEAN OPPOSITION ADDRESSES ARGENTINE GOVERNMENT

PY101537 Buenos Aires TELAM in Spanish 1705 GMT 9 Mar 86

[Text] Bahia Blanca, 9 Mar (TELAM)--The Chilean consul to this city has denied the existence of a suspected Chilean spying network operating in Argentina. He said that there are sectors interested in promoting the appearance of abnormality within Chilean-Argentine relations. These sectors, however, are in the minority because we have many examples of organizations seeking integration.

Marcelo Munoz Tolhuysen added that the situation, which was the result of mere journalistic speculation, has been overcome.

The rumored existence of a Chilean spy network was based on some details given by Rogelio Garcia Lupo, a correspondent of the Caracas newspaper EL NACIONAL, in a note published in that newspaper regarding an accident which took place near Comodoro Rivadavia, on 10 February 1986, when two second lieutenants of the Chilean military garrison at Punta Arenas, together with a Chilean student from Los Seminarios, died when their car crashed into a truck.

In remarks to LA NUEVA REPUBLICA, the Chilean consul stated that the three people traveling in the car were traveling from Punta Arenas to Santiago on route 3. He said that the two second lieutenants and the student from Los Seminarios were on vacation, and they were traveling on that road because it is the only direct link from Punta Arenas to the Chilean central-southern zone. Visits of Argentine officers to Chile, and vice-versa, are very frequent.

/7358
CSO: 3348/455

CHILEAN CONSUL IN ARGENTINA DENIES ESPIONAGE REPORTS

PY111412 Buenos Aires DYN in Spanish 1801 GMT 10 Mar 86

[Text] Buenos Aires, 10 Mar (DYN)--The Chilean Manuel Rodriguez Patriotic Front (FPMR), made up of various political parties, has sent a note to the Argentine ministers and congressmen commenting on reports of an "alleged concern" of the Argentine Government for the struggle of the Chilean people to restore the democratic system and the state of law.

"We are certain that democracy in Argentina will be fully stable and consolidated once there is a democratic regime in Chile also," states the 2-page letter to Interior Minister Antonio Troccoli, Foreign Minister Dante Caputo, and bloc leaders of the Radical, Justicialist, Intransigent, and Christian Democratic deputies.

The note stresses that the Chilean and Argentine media have detected "an alleged concern in the Argentine Government about the social and political turn of events in Chile," and that "no democrat can sincerely doubt the just and timely struggle for freedom being waged by most Chileans" against the military regime.

"Under these circumstances, this patriotic national battle cannot be irresponsible regarded as part of the East-West dispute, and the struggle of the Chilean people to recover democracy and dignity is the same one you have fought and are still fighting today," stressed the FPMR, which is a coalition of Christian democrats, socialists, communists, and radicals.

After a number of considerations about the role of the opposition toward Pinochet's military regime, and the common struggle for independence waged by the Argentine and Chilean peoples at the beginning of last century, the note states that "it would be profoundly negative for the Argentine Government, which we respect, to lend itself to the imperialist interventionist game, which seeks to prolong tenure in office of the fascist tyranny which plagues our fatherland."

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CSO: 3348/455

ARGENTINA

IGLESIAS ROUCO ON RELATIONS WITH U.S.

PY050229 Buenos Aires LA PRENSA in Spanish 25 Feb 86 pp 1, 4

[By J. Iglesias Rouco]

[Excerpts] The summer political "truce", which this year did not produce much of a truce, is about to become a stage of hectic activity both on the domestic and international fronts with unpredictable effects on the immediate future.

If we go by the open "optimism" shown by Argentine and U.S. diplomats, especially the optimism shown before and after Shaludeman's visit that Buenos Aires and Washington have reached a "common position", or an almost common position regarding Nicaragua and the Central American conflict, we can also expect many "jolts" on the foreign front. In fact, that kind of "optimism" and especially the U.S. "optimism" tends to foreshadow problems.

Alfonsin has reportedly reiterated to Shaudeman and on many occasions to U.S. Ambassador Ortiz that the Alfonsin government rejects the idea of more communist or fascist governments in Latin America. Alfonsin's reply to a recent letter from Reagan reportedly sums up that principle which, clearly stated in relation to the Managua regime, shows perhaps an apparent progress regarding the Buenos Aires position of 1984. However, this is only in appearance because the differences between Buenos Aires and Washington regarding some "points," which is the jargon used by officials, continue to be considerable. These are the main differences:

1. Bearing in mind the electoral interests of the Democrats (at a time when Bush, a "hardliner," appears as the only candidate to succeed Reagan), and taking into account Bush's "Latin Americanist" maneuvers, Government House has categorically opposed the military and economic aid that the Republican administration has offered to the Nicaraguan contras.

2. In disagreement with Reagan, Alfonsin also wants the removal of U.S. troops from Honduras and the suspension, or at least the "softening" of the White House's political and diplomatic campaign against Managua.

3. Buenos Aires will reportedly agree to the operation of an international supervisory scheme in Nicaragua. This scheme will prevent the sending of

guerrillas and weapons from Nicaragua to El Salvador and other countries in the region, and provide for on site verification of the Cuban troop withdrawal, in keeping with a statement that the Contadora Group will issue on this subject. For its part, the United States has advocated effective verification. However, Buenos Aires has at the same time hinted that: a) Argentina will probably be unable to join in such a joint scheme, because of the domestic opposition to the plan among other reasons. This opposition comes not only from the left but also from the Armed Forces, which the government has just consulted or, to tell the truth, which the government has just induced to say no. Although on the other hand, Brazil has also refused to join any international "peace-keeping force" in Nicaragua or its neighbors;
b) If Managua rejects the supervisory scheme--and it is believed there is a good chance it will--Buenos Aires will "regrettably" have to withdraw from the project, concentrating its support on the nonintervention principle. For practical purposes, this will work against any U.S. initiative within the OAS (and for that matter, against any U.S. unilateral action) aimed at performing the verification, which Washington regards as a "sine qua non" for peace in the region.

4. According to the White House, the "elections" held in Nicaragua in 1985 have not paved the way for democracy or for the "pluralism" that "both" Washington and Buenos Aires want for Latin America. However, government house, or at least some majors sectors within the government and the ruling party, maintain that such "elections" and the presence of Daniel Ortega in the presidency represent a democratic beginning and that anyway, the results of the elections are irreversible.

5. Buenos Aires continues to link its policy in Central America with its foreign debt problem and with the pressure that the U.S. Treasury and the Federal Reserve may exert on the IMF in favor of the Argentine position. As a matter of principle, Washington rejects this stand, on the grounds that it has been fostered by the USSR and Cuba.

6. The United States has reportedly hinted at the possibility of using its good offices to mediate with the IMF, as it did in 1985, in search for "emergency" solutions that should more closely match Argentina's financial position. However, the United States has fully supported the stand that the IMF and the EEC have taken with regard to Argentina. They maintain that it is necessary to introduce major structural reforms to the Argentine economy, in order to halt its growing statism. They also oppose the debtors "club" that our Foreign Ministry is sponsoring, with methods that are not as radical as those used in 1984.

7. Even though the United States appreciates the progress achieved toward a peaceful solution to the Malvinas issue, Washington does not yet know what plans and objectives Buenos Aires has for the South Atlantic. The only reason for Washington's "appreciation" of the progress achieved is the smaller number of problems that Caputo's "pacifying" efforts within the OAS have caused to the United States.

8. The Argentine diplomatic action within the Group of Six, in support of disarmament in outer space, is totally opposed to the current U.S. strategical scheme. Washington has regarded this attitude as an unfriendly action which has been inspired by the Soviets and which has driven the two countries farther apart. A few days ago, some State Department officials who strongly support the Alfonsin administration within the "North" were clearly annoyed by an advertising program that state-run television channel 7 broadcast on the Challenger tragedy, which the station linked to U.S. "galactic" or space "imperialism."

It is not necessary to mention the concern with which some U.S. Government sectors and the European Social Democratic Parties regard the "indefinite" revision of the "dirty war." They fear that this "trial of the century" might generate tension between the Armed Forces and the democratic process that the military have supported. But this is only a minor problem, at least in the eyes of those U.S. sectors and European parties. It is the differences on the above items which are the focal point of the U.S. concern about Argentina. Therefore, if despite such differences both sides still talk about a "common position" or an almost common position--except for some "details," as they put it--it is because their positions have actually very little in common. Or, in other words, because the essential part of the "agreement" between Government house and the White House consists of their mutual acceptance that they have big disagreements and that they have decided to discuss such differences very cautiously.

Why so cautiously? First, because both the United States and Argentina want to gain time (or let time pass without excessive turmoil). Second, the United States and almost all Argentines believe that chaos is the only "alternative" to the Alfonsin government. These two reasons do not allow for any expectation of improvement in Argentine-U.S. "dialogue." Such expectations will be even weaker if they are to be based on the consolation that the dialogue was even worse in 1983 or early in 1984.

/7358
CSO: 3348/452

PERONIST FLANKS REACH BROAD AGREEMENT ON DIRECT VOTING

PY060215 Buenos Aires BUENOS AIRES HERALD in English 4 Mar 86 p 9

[Text] (NA-DYN)--The Justicialist National Council and the Peronist reform wing reached overall agreement on direct voting by the party membership in primaries after a summit meeting between the main leaders of the two flanks of the Peronist movement, National Council first vice-president Vicente Saadi announced last night.

The primaries will also permit the representation of both the majority and the first minority, Saadi said. The Catamarca senator also announced that broad agreement had been reached on the reorganization of the intervened provinces of Buenos Aires, Cordoba, Jujuy and Rio Negro.

Reform wing sources afterwards estimated "80 percent agreement" was reached while La Rioja governor Carlos Menem considered that a national renewal congress was now unnecessary.

The orthodox branch of the party was represented by the three vice-presidents of the National Council--Saadi, deputy Jorge Triaca and San Luis Senator Alberto Rodriguez Saa--together with Council press secretary Lisandro Zapata while the reform wing was represented by their triumvirate--Menem and deputies Antonio Cafiero and Carlos Grosso--and Committee of 25 labor leader Roberto Garcia, who is also a deputy.

The meeting, which began at 6:40 pm, lasted less than an hour. The summit had previously been called for last Thursday but the pilots' strike prevented Menem's presence although party sources said there was also disagreement among the reformers as to what proposals to present at the meeting.

According to a post-meeting reform wing statement given to the HERALD in Congress yesterday evening, the intervention boards in the four intervened provinces will all be suspended and replaced by boards representing all the main factions proportionately although Saadi repeated his preference for a single trustee after the meeting. Party membership rolls are to be re-opened and primaries are to be held by June 30, 1986, in which minority representation will be guaranteed. The proceedings are to be monitored by the national electoral courts.

The National Council will make a formal answer to these proposals next week.

At the same time 22 of the 29 Buenos Aires Peronist mayors held a unity meeting in San Fernando which also endorsed direct membership voting but the Independent Peronists of Buenos Aires postponed a meeting scheduled for today until March 15.

Before the meeting the reform triumvirate met with other renewal leaders such as Lower House minority leader Jose Luis Manzano (Mendoza) and Senator Oraldo Britos (San Luis). Britos yesterday admitted that Saadi could end up serving out his four-year term since court action could easily take that long. He also expressed doubts that Saul Ubaldini would prove as effective a governor of Buenos Aires province as CGT secretary-general although some independents, 62 Organizations members and youth elements suggested this last week.

Last week Buenos Aires reform Peronist deputies launched Cafiero's candidacy for the 1987 Justicialist gubernatorial nomination in the province when their caucus chairman Oscar Blanco announced that there was "no discussion" on Cafiero's candidacy. Blanco also supported BA governor Alejandro Armendariz' stance on revenue-sharing. Cafiero met independent leaders last Tuesday, following which he denied renewal Peronists were considering an alliance with the Intransigents "at the moment."

Meanwhile the Revolutionary Peronist line of the movement yesterday declared their "total support for and solidarity with" the stance adopted against the International Monetary Fund (IMF) by the Peruvian government.

Last week the Revolutionary Peronists raised eyebrows in several quarters when they formally set themselves up as an internal line with a leadership including Montoneros Maria Firmenich, Fernando Vaca Narvaja and Roberto Perdia, together with former Buenos Aires governor Oscar Bidegain as well as Peronist Youth leader Pablo Unamundo and former Santa Cruz governor Jorge Cepernic.

The line will be holding a rally on March 14 at which it will blast the austral plan and denationalization. The Revolutionary Peronists, who declared their support for the CGT's 26-point programme, also called for the resignations of "technocrats" Economy Minister Juan Sourroville, Foreign Minister Dante Caputo and Interior Minister Antonio Troccoli.

In other recent Peronist developments, San Luis Peronists called a local party congress for April 5 in which Britos' successor could be chosen, the October 17 bloc of Justicialist deputies supporting Buenos Aires party boss Herminio Iglesias shrank from 15 to seven as a result of last November's elections and Peronist deputy Alberto Melon called on the government to end the "Chilean habit" of supplying British warships.

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CSO: 3300/72

UCR NATIONAL COMMITTEE ENDORSES PRIVATIZATION PLAN

PY081722 Buenos Aires BUENOS AIRES HERALD in English 6 Mar 86 p 7

[Text] (NA-DYN)--The Radical Party National Committee yesterday disclosed its general support for the government's privatization policy, claiming it stems from the need to "develop a system of coexistence based on modernization, participatory democracy, and solidarity" and responds to a widely accepted view of the role of the state as well as to economic trends througout the world.

In an eight-page report which revealed the party's decision to end internal disputes on privatization, the UCR [Radical Civil Union] National Committee called upon other political parties to "set aside sterile fighting stances and think rationally" about denationalization. "Argentines cannot stay in the past while the country and the world change," the UCR report contended.

The role of state intervention in production "must adjust to the rhythm of technological advances which modify the strategic character of productive activities," the report stated, arguing that "the future of Argentine economy and the possibility of breaching the technological gap (with developed nations) depends on the transformation and modernization of industry."

Furthermore, privatization will free resources which may be channelled towards top priorities for national development, and in turn the private sector will be responsible for kindling competition and efficiency by supplying technology and subsidies, the UCR authorities added.

In separate party developments, the Historic Radicals from the Renewal and Change party faction on Monday withheld their decision on who will run alongside provincial party committee chairman Juan Manuel Casella on the gubernatorial ticket in next year's provincial elections. Casella, however, gave fellow Historics a detailed explanation of negotiations concerning vice-gubernatorial candidacies and pressed for a final decision by May.

In a separate issue, Casella on Monday said "in no way do we intend to establish a sort of 62 Radical Organizations" as he inaugurated the provincial UCR labour committee. Casella said a significant number of workers support the Radicals and they will now be represented by leaders from the UCR.

Meanwhile, the UCR National Integration Movement (MIN) and the National Line sector headed by Senator Fernando de la Rua merged on Monday, after 75 days of talks, into a single provincial line aimed at "strengthening and modernizing the UCR, in order to consolidate the work of the party and the government."

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CSO: 3300/72

ARGENTINA

GOVERNMENT DENIES ASKING CGT FOR TRUCE

PY080022 Buenos Aires TELAM in Spanish 1120 GMT 7 Mar 86

[Text] Buenos Aires, 7 Mar (TELAM)--A high-ranking Government House source last night said that the government has never asked the General Confederation of Labor (CGT) for a truce.

The source added that, during a meeting with the CGT executive board, Labor Minister Hugo Barrioneuvo announced that the government is studying a complete salary policy which will be released in detail, within 10 or 15 days.

Nevertheless, at the end of the same meeting, CGT leader Saul Ubaldini said that Barrioneuvo had asked for the truce.

The spokesman explained that Barrioneuvo had mentioned the possibility of the government proposing a salary policy which would be ready in 10 or 15 days.

The source added that the government did not call the CGT to ask for a truce, but to make known this socioeconomic proposal, and explained that it was the CGT that had asked that the request be made public.

The spokesman said that the government has not acknowledged and will not acknowledge any deadline set by the CGT or any other sector, because deadlines can only be set by the courts which have the power to do so.

He added that Barrioneuvo explained to the unionists that the future governmental proposal will include the reorganization of the CGT and guidelines for the participation of the labor sector in leadership roles.

He recalled that the government announced at the economic and social meeting that it would be in a position to study a salary policy during the second quarter of 1986, and added that this is what we have been doing.

He stated that an annual salary policy is under study, because monthly wage adjustments stimulate inflation.

He admitted that the current wage level is too low and that the social situation is tense, because the country is in crisis and there are legitimate complaints.

The spokesman said that the government is trying to create a framework which, taking the crisis into consideration, makes it possible to maintain the levels of real salaries and employment, warning that no agreement can be reached while there is an attitude of confrontation.

The spokesman stated that if the meeting of CGT secretaries general decides to stage a stoppage today, the government will remain calm and will not act hysterically or set deadlines.

He sustained that the statistics show that employment, income, and consumption levels went up during the last few months, and that the Argentine currency has recovered its value, which is a prerequisite for achieving reactivation.

As to social projects, the source said that this is not a topic to be discussed with the CGT because the official initiative has been sent to Congress to be debated.

He disqualified the CGT project because it puts the health policy in the hands of the unions and because, from the National Institutes of Social Projects (INOS) downward, all institutions would be in the hands of the labor unions.

He added that the government proposal will include legislative reforms so that the collective bargaining can be held in a constructive atmosphere and be resumed in a reasonable period of time, but not now.

/7358
CSO: 3348/452

SUPREME COURT TO CONSIDER APPEALS MADE BY GENERALS

PY102118 Buenos Aires BUENOS AIRES HERALD in English 8 Mar 86 p 9

[Text] (NA-DYN)--Retired General Ramon Camps claimed yesterday that the members of the federal court and prosecutor Julio Cesar Strassera "lack the moral authority to judge me", and added that if his case is removed from the Supreme Council of the Armed Forces and taken to the civil courts, "I will not testify, I will not name an Attorney and I will not offer any evidence."

Camps' refusal to recognize the judicial competence of the federal courts is reminiscent of former military president Jorge Videla when he was condemned for human rights violations but the former chief of the Federal Police went even further when he called Strassera a turncoat for having started his career during the previous military regime.

The former Buenos Aires police chief is one of the military members accused of the most human rights violations to date, and the federal court must decide in the next few days whether to accept a new request by the Supreme Council of the Armed Forces to postpone the deadline to reach a decision on Camps.

In the past the federal court has approved extensions to the Council with the approval of the prosecution, but judicial sources disclosed that this time around Strassera would ask the court to place the Camps case under civil jurisdiction, allowing for an oral and public trial, similar in format to the one in which five former commanders-in-chief were condemned for human rights violations.

In relation to this trial the federal court accepted partially the appeals by the prosecution and the attorneys of the defendants for a judicial review by the Supreme Court. The Supreme Court can only change the sentence if it considers it unconstitutional, so the defence has argued for the validity of the "self-amnesty" law dictated by the past military government and the principle of "due obedience."

Prosecutor Strassera's appeal was also accepted partially and it could lead to the extension of the sentences to some of the former junta members that were acquitted or more severe penalties for those condemned. The prosecution argues that the juntas should be tried collectively not individually.

The Supreme Court of the Armed Forces postponed once again its decision on the Malvinas case until "the last days of March of the first days of April." The Council's decision on the responsibility of the third military junta for the Malvinas war was originally scheduled for mid-January.

It was also disclosed that the Council will not decide on any other trial until after the Malvinas decision. This means that the Council will delay its decision in the trial of Navy lieutenant Alfredo Astiz, accused of kidnapping, torturing and murdering Swedish citizen Dagmar Hagelin.

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CSO: 3300/72

ADMIRAL CRITICIZES TRIAL OF MILITARY COMMANDERS

PY111508 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 10 Mar 86

[Text] Bahia Blanca, 10 Mar (NA)--Vice Admiral Horacio Mayorga, former Naval Air Force commander, has reported here that "subversion is preparing highly trained armed groups to carry out destabilization tasks, such as murdering President Raul Alfonsin," and added that "although there is Marxist infiltration in the government, no one expects a coup d'etat because we military men have learned our lesson."

Vice Admiral Mayorga made these statements to the local morning newspaper LA NEUVA PROVINCIA, and sustained that "subversion will come back, and this time, it will be by infiltrating various governmental areas, "among which he mentioned the areas of education, communications, and justice."

Referring to methods to be employed in combating terrorism, the Navy commander admitted that the military "might deserve moral reproach for not dealing properly with the events of that time but the lawmakers of that time, all clean and spotless citizens who clamored for measures to fight subversion, should not be excluded from that reproach."

The Vice Admiral then asked: "If that is the case with the military, what punishment should be applied to the civilians who asked us to destroy the terrorists wherever we found them?"

Regarding the trial of the former commanders, Vice Admiral Mayorga pointed out that the president of the nation "is harassed" because he "has started a game which he can no longer control, and knows that it is not true that people and not institutions are sentenced."

"Here, neither military nor civilians will be spared. The ruling party, which plotted coups against Peron and Frondizi, now has the opportunity to star many years of the hoped-for democracy, which is not being fully experienced yet," he concluded.

/7358
CSO: 3348/452

BRIEFS

ATHOS FAVA DECORATED IN MOSCOW--Argentine Communist Party Secretary General Athos Fava has warned that the economic concessions that the Argentine Government has been making, especially as far as the foreign debt is concerned, "are undermining the social situation and will prompt upheavals." Upon receiving the Order of Lenin (the most important Soviet decoration) in Moscow from the hands of Andrey Gromyko, chairman of the Presidium of the Supreme Soviet, Fava stated that the Argentine communists "attack great importance to the reinstatement of democracy and to the defense of the constitutional system and greatly value Argentine-Soviet relations." He added: "We recognize the government despite the differences we may have with it and we shall do everything we can to defend democracy, but there must be social justice..." [Text] [Buenos Aires CLARIN in Spanish 3 Mar 86 p 9 PY] /7358

INTERNATIONAL LIBERAL LEADERS' VISIT--Buenos Aires, 7 Mar (TELAM)--This morning at the Olivos Residence, President Raul Alfonsin received Urs Schottli, vice-chairman of the Liberal International, who spoke about the necessity of achieving the stabilization of Latin American democracies. Schottli voiced his concern about statements by certain people who, through extremist acts jeopardize the consolidation of democracy. The foreign politician arrived in Argentina yesterday after a visit to Uruguay. Tomorrow he will leave for Brazil. Oec Loew, Liberal International representative for Argentina, accompanied him during his visit to the Olivos Residence. During the meeting which started at 1050, the visitor told President Alfonsin that a meeting of chairmen will take place during the next few months. Willy Brandt will participate as chairman of the Socialist International, Giovanni Malgordi as chairman of the Liberal International, and Andres Zaldivar as chairman of the Christian Democratic International. At the meeting, Schottli will speak about the position of the Argentine Government, which he deems moderate and sensitive, in order to promote the launching of a declaration supporting President Alfonsin. The visitor said that the agenda for that meeting will include three central topics: the Nicaraguan situation, the developing countries' foreign debt, and the struggle for democracy in Chile. [Text] [Buenos Aires TELAM in Spanish 1523 GMT 7 Mar 86 PY] /7358

SOVIET AMBASSADOR ON NUCLEAR WAR--Buenos Aires, 7 Mar (TELAM)--The Soviet ambassador to Argentina, Oleg K. Kvasov, yesterday referred to the dangers of a nuclear war during a press conference held at noon on the culmination of the 27th Congress of the USSR Communist Party. It dealt mainly with ways to stop material preparations for a nuclear war, he said. Kvasov also said that under current conditions, no country can win either the arms race or a nuclear war. Therefore, neither politically benefit anyone. The diplomat pointed out the special attention paid by this congress to Soviet relations with developing countries, as part of a coexistence program free of ideological discrimination. [Text] [Buenos Aires TELAM in Spanish 1730 GMT 7 Mar 86 PY] /7358

CSO: 3348/452

ACTION GROUP RESISTS LEADER'S DECISION TO RESIGN

Nassau THE TRIBUNE in English 27 Feb 86 p 1

[Article by Colin Higgins]

[Text]

ACTION Group members at a "standing room only" meeting Tuesday night expressed "overwhelming support" for former Chairman George Wilson and unanimously passed a resolution rejecting his recent resignation and asking him to continue to serve.

Opposition Free National Movement National Chairman Senator Charles "Chuck" Virgill yesterday afternoon said that George Wilson is "too dynamic and versatile a person" not to be in active politics.

"We can't have him inactive and I am very glad that the Action Group passed this resolution," he said yesterday.

He also revealed that Mr Wilson has applied to be a candidate in the next general election and if his application is approved he would automatically become a member of council.

Friday afternoon, following a reportedly stormy FNM constituency meeting the night before, then-Action Group Chairman George Wilson issued a seven line statement to the press announcing his immediate resignation as chairman and his "retirement from active politics for the forseeable future."

Concluded the statement: "This announcement comes with the greatest regret as I have done all that I possibly could to help my party along the road to victory."

It was reported that Mr Wilson - who lost a bid for the chairmanship of the FNM to his brother-in-law Charles Virgill at the party's recent convention - had again been beaten in the race for the chairmanship of the FNM's St Michael's Constituency Association by Rodney Moncur.

Mr Moncur was also chosen as council representative.

Yesterday afternoon Senator Virgill, accompanied by five other party members, told The Tribune, "Mr Wilson did not run for any position in the St Michael's annual general elections. He did not run.

Accompanying Senator Virgill were Ed Brown, 1st Vice Chairman and National Coordinator of the FNM; Jim Wood, Vice Chairman of the Action Group and nominated FNM parliamentary candidate for Grant's Town; Rodney Brennen, council representative for the Yellow Elder Constituency Association of the FNM; Kenneth Wood, Chairman and council representative of the FNM's St Agnes Constituency Association and Fred Ramsey, Action Group member and "FNM freedom fighter."

"The Action Group had a meeting last night (Tuesday night) on the resignation of George Wilson as chairman of the Action Group," the group's Vice Chairman Jim Wood said this afternoon.

"It has been decided that we will not accept his resignation and (will) ask him to continue to serve."

The unanimous decision was taken at the group's headquarters on Market and Taylor Streets. There was "standing room only" and people were "overflowing" into the streets.

"From my personal point of view," said Senator Virgil, "we are happy with this thing done by the Action Group because Mr Wilson is too dynamic and versatile a person not to be in active politics."

An Action Group member called Mr Wilson a "hard worker."

The Action Group was formed over a year ago under Mr Wilson's leadership and has staged a number of "successful demonstrations, rallies and events that have captured the imagination of the Bahamian people."

Mr Wilson played "a leading role" in the 1985 night time bridge demonstrations which peacefully protested the receipt by Prime Minister Sir Lynden Pindling of $334,000 of Everette Bannister's finder's fee in the sale of the Paradise Island Bridge.

Among other matters, the Action Group protested large increases in fees at the Princess Margaret Hospital; the participation of Kendal Nottage in an anti-drug abuse march and a Chamber of Commerce address by Prime Minister Pindling.

The Action Group sold copies of "Paradise Lost" - a Sunday Times look at drug trafficking and corruption in the Bahamas - on Bay Street and demanded to know Attorney-General Paul Adderley's timetable for implementing recommendations of the Commission of Inquiry into drug trafficking and corruption.

/6091
CSO: 3298/362

BAHAMAS

BRIEFS

NEW AMBASSADORS--Presenting their credentials to His Excellency the Governor General Sir Gerald Cash were His Excellency Mr (Yung Wong Kim) of the Republic of Korea and His Excellency Mr Gustavo (Hiruega Cederisto), ambassador of the United States of Mexico. [Excerpt] [Nassau Domestic Service in English 1300 GMT 26 Feb 86 FL] /6091

CSO: 3298/362

BARBADOS

MP THREATENED AFTER COMMENTS ON DRUG TRADE

Bridgetown DAILY NATION in English 12 Feb 86 p 13

[Text] **OPPOSITION PARLIAMENTARIAN, Branford Taitt**, says he has been threatened, because he had the temerity to raise the question of influential persons peddling illegal drugs in Barbados.

Mr. Taitt was speaking in the House of Assembly yesterday during debate on a resolution for $110 000 to make provision for a fifth High Court room and ancillary facilities.

His comments came in response to remarks by Attorney General David Simmons, who spoke of the efforts by Government and the police to stamp out drug trafficking.

Mr. Taitt said the Attorney General could be forgiven for the innocence shown with regard to the attitude of the ruling Barbados Labour Party (BLP), on the issue. He said that for a considerable time the BLP has said whenever the Opposition raised the issue, that the Democratic Labour Party (DLP), was making it much larger than it was.

He recalled that when the Commissioner of Police had made a statement about his inability to prosecute people at a certain level in the society, the DLP raised questions in the House and were ridiculed from the Government benches.

Mr. Taitt said he looked forward to the Attorney General one day saying that all of those to whom the Commissioner of Police had referred — the so-called businessmen and big-shots — would be prosecuted and brought to book.

The drug problem, he said, was not a question of a few young people with a few joints of marijuana; the major issue was those persons of influence who are involved in trafficking drugs and making the west coast a place of terror for the Barbados Defence Force and the Coast Guard and finding new ingenious methods of bringing drugs into the country.

Mr. Taitt said Barbados could not afford to have barrels of cocaine lurking in the Deep Water Harbour.

Mr.Taitt said he did not want to get into the business of calling names, but he held certain beliefs about certain people based on empirical evidence.

He said he wished the Government-appointed Task Force all the best, but felt it had to be made clear that every effort would be made to root out drugs so that if the Task Force found anyone, including Members of Parliament involved, they should be treated like anyone else.

It was obvious, he said, that there were people of influence who were able to push cocaine

But his comments were immediately denounced by former Attorney General, Louis Tull as "alarmist, lurid and emotive".

Mr. Tull submitted that such matters required a balanced approach because they were sensitive, serious and insidious. He said the BLP had taken a responsible approach to the proliferation of drugs and had set up an inter-departmental advisory committee which met on a regular basis to work out a programme to prevent and detect drug smuggling as well as to prosecute those involved and also to offer assistance to rehabilitate victims.

But Mr. Tull said the question had to be asked: "Who will guard the guards? He said there was a feeling in some sections of the society that those charged with investigating and detecting such matters were themselves "a little dirty in the hands".

He stressed that he could not authenticate that view, but since it had so much currency, it needed to be faced squarely.

/9274
CSO: 3298/349

EL SALVADOR

FLEDGLING SOCIAL DEMOCRATIC PARTY VIEWS CRISIS

PA040001 [Editorial Report] San Salvador LA PRENSA GRAFICA in Spanish in its 26 February issue publishes on pages 34 and 39 a 5,000-word communique by the Social Democratic Party [Partido Social Democrata] entitled "Position of the Social Democratic Party in Light of the Worsening Crises." It is dated San Salvador, February 1986, and is published as a paid advertisement.

Delving into the current crisis' historical background, the Social Democratic Party, which is still in the organizational stage, blames it on "the longstanding and complex historical and social process characterized by an accumulation of conflicts that result from our insertion into the world capitalist market" and "the ruling classes' lack of interest in solving these problems." It notes that "the state has been at the service of the economically powerful classes" and the army "has played a key role in the repression against the disgruntled majorities."

Turning to the nature of the crisis, the communique adds that it is basically political in nature. The economic growth of the 1970's only brought more social differences and the plight of the urban and rural workers became more glaring.

The communique adds that the coup staged by young military officers in 1979 gave hopes to the people. "It established a pluralistic government, but the model was not liked by the U.S. administration and the ultra right. In the end, "the alliance between the Christian Democratic Party [PDC] and the armed forces scuttled this attempt and worsened the civil war." Actually, the communique says, "there was never so much violence and violations of human rights as during the era of the juntas, which were unable to curb terror created by those who lost political power." "The main victim of the change influenced by the U.S. foreign policy on the region continued to be the working people." "U.S. interests in the region have determined that the army must turn against the people, of whom it forms part," it says.

Another factor, which is alien to El Salvador, has compounded the crisis: "The U.S. meddling and more specifically that of the Reagan administration."

The communique adds: "The capacity of the rebel organizations can be gauged through the sabotaging of industry, transportation, and electricity, although the government and the armed forces continue denying it." Rather than decreasing, the war's disastrous results have increased, it says.

Viewing the results of the crisis, the communique states that unemployment, the foreign debt, malnutrition, child mortality, and disease have increased. Military power has been built up and "a permanent violation of the legal system allows the government to engage in wrongdoing and family as well as party nepotism." "The Salvadoran Government is absolutely subservient to the United States' geopolitical interests, which undermines our national economy." There has been no progress toward peace and the government has substituted economic measures for dialogue. Human rights continue to be violated. Duarte announced in 1985 that the burden of the foreign debt would fall on the people.

The communique stresses that the time has come for Salvadorans to reflect deeply and notes that Social Democrats are ready to orient them "as a power of reason on which the people can lean to extricate the country from the collapse into which it is being led."

Concluding the analysis, the communique lists the party's suggestions to end the crisis. They suggest steps to end the war as a priority, as peace will provide the necessary framework to enjoy real democracy and to solve the economic and social problems. A second suggestion calls for steps to end the causes of social injustice and the advocacy of a new international economic order as this would help El Salvador to develop. "We do not want to continue to be the backyard of any big power or a further powder key in the East-West confrontation," it adds. National salvation will depend on steps by the government to correct its legislative, judicial and military policies and to salvage the nation's sovereignty. "The government must respect human rights and life decrees restricting them," it notes.

Finally, the communique states that real democracy is based on free participation by all political forces that seek to end the current situation and to build a new society that will give dignity to all Salvadorans.

/12232
CSO: 3248/286

GUATEMALA

ARDE ANNOUNCES SUPPORT FOR CEREZO'S POLICIES

Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 6

[Text] Jose Davila, political coordinator of ARDE [Democratic Revolutionary Alliance], which fights against the Sandinist regime in Nicaragua, said that they are pleased by the position taken by the new Guatemalan Government to find a political solution to the problems in the region.

During a visit to our office, Davila said that he met yesterday with the president of the republic, Vinicio Cerezo Arevalo. Cerezo told him that he is convinced of the need for true democracy in the Central American countries.

Davila added: "I had met earlier with the president of Congress, Alfonso Cabrera Hidalgo. I was pleased that he wants to help in the political effort to save the region from a spreading war.

"The main objective of my visit to Guatemala is to ask the government for moral and political support and to promote a political solution to the Nicaraguan conflict. ARDE and the Opposition Bloc of the South are fighting a difficult battle due to shortages. The United States only helps the Nicaraguan Democratic Force."

Our visitor stated: "Nevertheless, the morale of the members of ARDE is high. Our goal is to rescue the original principles of the Nicaraguan Revolution. Therefore, we do not like being called counterrevolutionaries. We do not want to destroy the revolution but save it from those who betrayed it and handed it over to Cuban-Soviet imperialism."

Davila said: "President Vinicio assured me that he will support the democratic proposals of the groups that want to end the conflict and begin a process of democratization. He also indicated that he will insist on peaceful solutions at the next meeting of presidents."

The ARDE coordinator ended: "I think Cerezo Arevalo's position is sincere and he has good intentions. We feel he is aware of the type of problems that must be faced and the need to promote political solutions."

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CSO: 3248/255

LAWYERS FEAR COURT SUBORDINATION TO EXECUTIVE BRANCH

Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 7

[Text] Some lawyers and notaries told the newspaper that it is already obvious that there is a government candidate for president of the Judicial Branch and the Supreme Court of Justice. They added that they can already see that "certain sectors of Guatemalan society will be defenseless."

They stated: "For many years, there has been a struggle to achieve effective independence of the Judicial Branch from the Executive Branch. That is the reason a procedure was established in the new Constitution to elect a president of the Judicial Branch and the Supreme Court of Justice. Unfortunately, there is already concern within the bar association and other sectors that the constitutional principle (Article 215) will be violated by having a government candidate.

"A group of lawyers has nominated a well-known lawyer, Edmundo Vasquez Martinez, for president of the Judicial Branch and the Supreme Court of Justice. However, the procedure does not permit this because there is no direct election for that position."

They continued: "This idea of nominating a candidate for president of the Supreme Court assumes a tacit agreement with the Congress of the Republic that this lawyer will be appointed instead of the other eight judges named. It also assumes that the other eight judges already agree to appointing that candidate, attorney Vasquez Martinez, as their president."

According to the information the newspaper received, old practices have already returned to the courts. Lists of support for the government candidate have already been drawn up with offers of employment. Dismissal is assumed for those who do not support him. The propaganda is that this candidate is sponsored by the DC [Christian Democracy] and that he is the one President Cerezo wants to be president of the Supreme Court of Justice.

They added: "These circumstances augur a return to the past practice of subordination of the Supreme Court of Justice and, therefore, the Judicial Branch to the will of the politicians in office.

"The bar association, a serious organization, cannot and should not be manipulated by this attempt at a public election. According to its executive board, the bar association feels that the election must be held by secret vote. This is a basic principle of democracy. Also Article 46 of the Constitution of the Republic gives preeminence to human rights treaties, complete observance of human rights, and the American Convention on Human Rights, a law in effect in Guatemala through Congressional Decree No. 6-78. Article 23 of that law establishes that it is a political right to elect and be elected through universal suffrage and secret vote."

They ended: "This is a good time to recall the problems that exist when all power is concentrated in one single person or party. President Cerezo has control of Congress (because the majority of the deputies are from the DC). If the Judicial Branch also comes under his control, if there is an election as rumored, certain sectors could be completely defenseless. Therefore, we are compelled to appeal to the common sense of the Guatemalan Congress and its reflection on what happened under other administrations."

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CSO: 3248/255

CONGRESS ESTABLISHES HUMAN RIGHTS COMMISSION

UCN States Proposals

Guatemala City PRENSA LIBRE in Spanish 29 Jan 86 p 2

[Excerpt] A motion presented by deputy Oliverio Garcia Rodas, UCN [National Center Union], passed after its first reading in yesterday's session of the Congress of the Republic. It establishes a human rights commission and a human rights prosecutor.

Deputies from almost all the parties congratulated Garcia for his good idea. This bill reaffirms respect for human rights in Guatemala as provided by the Constitution of the Republic.

The speakers emphasized and agreed "that it involved making respect for human rights a reality in Guatemala. This has not been true in the past. They have been violated in the country. Human life is depreciated because there are people who are killed merely for dissenting, even for 5 quetzales."

They all repeated that they agreed with the bill; they assumed no one was opposed. However, they will expand the bill. Some speakers related personal experiences and those of friends and relatives whose human rights have been violated. They also stressed that there are 100,000 children orphaned by violence in the country and 10,000 women widowed.

To Commission

A motion to end intervention in INACOP was sent to the economic commission of Congress.

Police Record

A motion by deputy Luis Eduardo Cancinos, DC [Christian Democracy], to add a paragraph to Article 114 of the Criminal Procedure Code passed after its first reading. It adds: "Police admission and statistics do not go into a police record, just an internal administrative record of the authorities in charge of arrests."

Also "written police records will only be opened on special forms submitted to the National Police by judges or justices of the peace based on prior criminal procedures or proceedings."

The DC deputy stated that when someone is arrested by chance, like for a minor traffic accident, he is taken to the police station and booked.

"When he has to get a police certificate, it shows that he has a record. This is unfair and a violation of his human rights."

First Complaint Received

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 12

[Text] The Human Rights Commission of the Congress of the Republic received its first report of an alleged violation of human rights in the country. It immediately investigated and discovered that it was not a valid complaint.

The chairman of the commission, deputy J. Luis Archila, said that Eligio de Jesus Gonzalez Albizures reported that his entire family disappeared and that the request for personal summons that he presented had not been acted on.

Deputy Archila said: "I went to the Supreme Court of Justice. They reported, and I verified, that the request was acted on. It was not successful because the people were not found in any of the detention centers.

"This matter will be sent to the human rights prosecutor who will be named soon."

Archila added: "The commission which includes deputies from all political parties will hold its first session next Wednesday morning.

"We have already received the bill on the duties of the Human Rights Commission and the human rights prosecutor in order to study it and issue an opinion to Congress as a whole.

"When we met with Viscount Colville de Culross, he asked us to inform him when we had legal action which we will do.

"I told him that the Human Rights Commission and prosecutor have been established based on Article 273 and Article 274 of the Constitution. They will function on a permanent basis. We also have to nominate three people to the Congress of the Republic for human rights prosecutor."

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CSO: 3248/263

GUATEMALA

UNIONS DEMAND JOB SECURITY, SALARY INCREASES FROM CEREZO

Government Announces Increases

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 4

[Text] Yesterday in a press conference at the presidential house, President Cerezo said: "The 50-quetzal increase will not be just for teachers, but for all public servants." The press conference was held at the end of the new government's second cabinet meeting.

The president revealed: We met with the teachers the day before yesterday to talk about the wage increase they had requested.

They were told what this measure would do to the national budget and the need to ask all Guatemalans for austerity. I also expressed the concern that wages could not be increased just for teachers. This measure would have to be based on the entire national economic revitalization plan.

"Therefore, I told them it was necessary to cut their request in half (the teachers asked for 100 quetzales over the base wage) so that the increase could be given to all public employees. By offering that increase to the bureaucracy, we would ask for agreement that no one would request a wage increase the rest of the year. In this way, the government could increase its work to benefit the people.

"Also, the 50-quetzal increase would be limited to public employees at a certain wage level and below, not officials and people who earn much higher wages."

He emphasized: "The teachers understood the argument. They realized we did not want to give 100 quetzales to just one sector but give an increase to all the public sectors.

"This government proposal was accepted by the teachers. Now we are going to talk with each one of the ministers to see when this increase would start."

Budget Will Go Up 100 Million Quetzales

President Cerezo indicated that although they are still analyzing the wage increases, the budget will probably increase from 70 million to 100 million quetzales.

"We think this will be possible because we are trying to reduce unnecessary government expenses, cutting the budget by about 10 percent. This would mean maintaining the budget deficit at the level it was when we came to power.

"Of course, if we improve tax collection, the deficit could be less than we are estimating at this time."

Comprehensive Economic Bill

President Cerezo revealed that no economic measure can be discarded because a comprehensive bill is being prepared. "I can guarantee that the basic concern of the government is to avoid any tax increase that would affect the income of the lower- or middle-income sectors.

"We are going to begin negotiations with the unions, private sectors, independent workers, and public employees, advocating a relatively small wage increase. We are asking for austerity from everyone without forgetting the high cost of living and the general austerity process, cutting unnecessary government expenses."

Increases in Private Sector

President Cerezo added: "We cannot just give an increase to the public sector. We have to consider the possibility of beginning an aggressive policy of salary negotiations with the other economic sectors.

"We want a small increase because the problem is not wage increases but price increases. A wage increase often provokes a price increase. The concern is to try to maintain or lower the cost of living.

"If we lower prices, wages will begin to regain their value. However, if we increase wages and prices increase, then the cost of living is going to go up more than wages.

"The problem is very complex. Of course, we could make easy decisions like devaluation, unification of the exchange rate, etc. However, that would automatically increase the high cost of living."

Teachers Accept Raise

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 2

[Text] The CNM [National Teachers Council] reported yesterday that it received many telegrams from teachers in the interior of the country accepting President Cerezo's offer of a 50-quetzal increase over the base wage.

Prof Eliseo Cano Acosta, president of the CNM, explained that the CNM did not initially agree with the increase offered by President Cerezo. This increase would be gradual, 25 quetzales beginning in January and another 25 quetzales in the middle of the year.

He revealed: After the second meeting that was held Monday night, we agreed that, to support national development and tranquillity, it would be best to accept that 50-quetzal increase even though our proposal was 100 quetzales.

"Today (yesterday) we communicated that decision to all the departmental representatives and they agreed. The teachers are pleased with President Cerezo's interest in listening to their demands because they have always been neglected in the past."

Eduardo Meyer Pleased

The minister of education, Dr Eduardo Meyer Maldonado, was interviewed yesterday by reporters as he left the presidential house. He stated: "The attitude the teachers showed by accepting the agreement proposed by President Cerezo pleased me."

He emphasized: "They only asked to be listened to since they have been practically forgotten for a long time."

Now they have accepted the 50-quetzal increase. He told them that the other public servants would receive the same increase.

FENATRAM Rejects Dismissals

Guatemala City PRENSA LIBRE in Spanish 5 Feb 86 p 5

[Text] Yesterday FENATRAM [National Federation of Municipal Workers] asked President Cerezo to intervene to end dismissals of workers in different municipalities in the country. Unjust acts are being committed.

The secretary general of FENATRAM, Edgar Flores, and the secretary general of CUSG [Confederation of Trade Union Unity], Juan Francisco Alfaro Mijangos, met with President Cerezo yesterday in the National Palace. They told him about the problems in the municipalities which are mostly under DC [Christian Democrat] mayors. They are dismissing workers without cause.

Mr Flores told reporters that President Cerezo promised an atmosphere of true democratization but the concept of democracy does not seem to exist in the interior. Even the DC mayors are firing municipal workers who, "under the Constitution of the Republic, have job security as members of FENATRAM."

Workers have been dismissed in Puerto Barrios, Retalhuleu, Villa Nueva, and Jutiapa. Flores noted that more than 400 workers have already been dismissed in the capital. This must be studied because those fired include municipal workers with more than 20 consecutive years of service.

We want President Cerezo to mediate with mayor Arzu so that we can talk to him and reach an understanding. The mayor has refused to meet with us. We have also asked the president to suggest to the DC mayors that they end this injustice and respect the union laws.

Alfaro Speaks

Alfaro Mijangos explained to reporters that although the mayors head autonomous institutions, they must carry out the agreement process promulgated by President Cerezo to consolidate democratization.

"In other words, those unjust dismissals only cast doubt on what a true democracy is. The employees dismissed must be reinstated, especially in places with DC mayors."

He also stressed that, during the meeting, he gave Cerezo several petitions against indirect taxes because they would cause more problems for all Guatemalan sectors by considerably increasing the high cost of living.

"The CUSG favors direct taxes because these can be levied on wealth and property. In other words, the poor sectors of the country would not be affected."

Alfaro revealed that he expects a concrete response from President Cerezo by 11 February to the proposals made yesterday morning.

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CSO: 3248/261

CULTURE, EDUCATION MINISTERS DENY FRICTION

Guatemala City PRENSA LIBRE in Spanish 9 Feb 86 p 4

[Text] There are no disagreements between the Ministry of Education and the Ministry of Culture, according to architect Elmar Rene Rojas, head of the Ministry of Culture. It was created when the Christian Democrat Government came to power.

Some mass media reported that there was friction between the minister of education, Dr Eduardo Meyer, and the minister of culture, architect Rojas, because different offices will now become part of the new ministry under the former mayoral candidate.

For example, the National Theater, the National Library, the General Archives of Central America, the Institute of Anthropology and History, the Directorate of Fine Arts, the National Periodicals Library, and other organizations that were under the Ministry of Education will now be under the Ministry of Culture.

It was alleged that Dr Meyer did not want to lose the Fine Arts Theater located at Avenida Elena and Calle 15, Zone 1, because he wanted at least one place where educational meetings or seminars could be held.

When PRENSA LIBRE asked architect Rojas about this, he said that reports about the alleged friction "are creative but wrong.

"They are trying to start a fight. However, the truth is that Dr Meyer and I have talked about how to work together to carry out projects that solve the various problems the educational sector faces."

Rojas explained: "There is no friction. On the contrary, the Ministry of Culture works closely with the Ministry of Education to fulfill the objectives of the Christian Democrat Government."

7717
CSO: 3248/258

CABRERA SUPPORTS EFFORTS TO FIND MISSING PEOPLE

Guatemala City PRENSA LIBRE in Spanish 13 Feb 86 p 6

[Text] "We are willing to help the members of GAM [Mutual Support Group] find out where their missing relatives are," said the president of the Congress of the Republic, deputy Alfonso Cabrera Hidalgo.

"The members of GAM are concerned about the existence of secret jails. Therefore, when the judges go to jails to find the people for whom they have a summons, they are going to invite GAM to accompany them so that it can verify that there are no secret jails.

"Its slogan is: 'They took them alive and we want them back alive.' However, we--that is, the DC [Christian Democrat] Government--are only responsible for what happened after 15 January 1986.

"As to repeal of the decree law that grants amnesty to all those who might have been involved in crimes up until 14 January, it is still in Congress. The government committee has it and will issue an opinion. I do not want to give an opinion on this. I am the president of Congress and I should not give opinions. The committees should issue opinions with complete autonomy."

Committee Chairman

Deputy Jorge Luis Archila Amezquita, chairman of the human rights committee of the Congress of the Republic, said: "The doors of Congress are open to GAM.

"When the committee was formed, we issued a communique asking all the civic sectors to contact the committee when they have a problem.

"Although we do not have a specific meeting room, we can meet with a GAM committee so that they can explain their problems to us."

He indicated: "The committee has received about 20 reports of human rights violations. We feel it is good for the relatives of the missing to visit the jails in the country, as they have said, because that will reassure them about what action is taken when they make complaints."

7717
CSO: 3248/258

GUATEMALA

BRIEFS

ARMY SPOKESMAN ON RECRUITMENT--The "quota" (recruitment) is no longer a nightmare for the people in the rural area. It is a way to earn a living--not high wages, but just. It also means extra income for the family, according to an Army spokesman, Captain Juan Fernando Cifuentes, yesterday. "Past problems when, in isolated cases, some military commissioners 'recruited' youths by force have been corrected. Today we are living under a system of law. The Army can never break the law to take citizens by force for the 'military quota.' Although it may seem strange, there are more volunteers today because, as I said before, they receive a salary in the Army, they do not pay for food, clothing, medicine, etc., and their families receive a monthly payment. Pursuing young students, workers, and peasants, especially in the departments, has become history. Many of them understand that a labor skill, a specialization in other branches, can be acquired in the Army. They also know that they earn money while in the service, they are insured for any fatal mishap, and the family is not defenseless." The captain added: "This disproves the idea that the Army forcibly recruits eligible citizens for military service." [Text] [Guatemala City PRENSA LIBRE in Spanish 8 Feb 86 p 2] 7717

PRISONERS CALL FOR AMNESTY--Members of the board "to eliminate criminal liability" presented the president of the Congress of the Republic, deputy Alfonso Cabrera, a petition. They want Congress to pass bills that grant them amnesty, pardon, and a sentence reduction. They feel there are good reasons for a law that eliminates criminal liability in the detention centers because the prison system does not comply with Article 19 of the Constitution. Our criminal trial system does not comply with the Constitution either. They said: "The law is violated as to individual rights. After exhausting the normal courses, they resort to appeals." Therefore, they request general amnesty for the perpetrators of common crimes, accomplices, and accomplices after the fact, eliminating the sentence and all its effects for crimes committed by a date that will be set. In another petition, they request a general pardon for all the perpetrators of common crimes, accomplices, and accomplices after the fact, except for civil liability. The request for reduction of sentences of 5 years benefits the prisoners in the detention centers--perpetrators, accomplices, or accomplices after the fact--who are serving sentences for crimes committed before the congressional decree is issued. This sentence reduction decree would also apply to those who are being tried for common crimes committed before the decree goes into effect. The law only applies to criminal liability, with civil liability remaining subject to the law. [Text] [Guatemala City PRENSA LIBRE in Spanish 5 Feb 86 p 5] 7717

UNEMPLOYMENT REACHES 40 PERCENT--The unemployment rate in Guatemala is 40 percent, according to Catalina Soberanis, minister of labor. She was reporting on arrangements she will make for UN technicians to collaborate on a census through the ILO. She was interviewed as she left the first meeting between the cabinet and the president and vice president of the republic held at the presidential house. The minister said that there are no hard data right now about unemployment in our country. She estimated the figure at about 40 percent "based on preliminary reports obtained by some labor sectors." At the end of 1985, union organizations claimed that there were 1.5 million unemployed workers in Guatemala, not including the 1.2 million people who have physical handicaps but constitute a potential productive force. [Text] [Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 6] 7717

UNSOLICITED U.S. AID--The minister of foreign relations, Mario Quinones Amezquita, said yesterday in a press conference: "Guatemala has not requested any U.S. economic aid." In the press conference, he commented that President Reagan himself asked the U.S. House and Senate to approve $130 million in aid. The minister stated that the United States has already allocated $10 million for Guatemala this year. This will be for military equipment--for example, jeeps, uniforms, and other vehicles--but not weapons. He revealed that President Cerezo is analyzing President Reagan's proposal to the U.S. Congress so that the formal request can be made at the right time. He added that the Guatemalan Government is grateful for President Reagan's interest in asking for $130 million in aid for our country. However, that proposal must be discussed by the U.S. House and Senate. They will make the final decision about how much Guatemala will receive for the 1986-87 fiscal year. [Text] [Guatemala City PRENSA LIBRE in Spanish 7 Feb 86 p 2] 7717

CSO: 3248/258

JAMAICA

TEXT OF SEAGA BROADCAST ADDRESS TO NATION ON ECONOMY

Kingston THE DAILY GLEANER in English 18 Feb 86 pp 8, 15

[Text]

Following is the text of the broadcast to the nation last night by Prime Minister Edward Seaga:

IN THE early weeks of 1986 there have been many developments which have been the focus of public attention. Tonight in this address to the nation, I propose to speak to you on many of these areas of current interest and, in some cases, controversy. In so doing, I am taking the earliest opportunity which time and illness have allowed for me to make this national address as I was unfortunately indisposed at the time when I would usually have delivered the annual message from the Prime Minister from the beginning of the new year.

To set the background, I ask you to recall the Budget presentation in June of last year. You will remember that I took the opportunity then to look not just at the current year 1985/86, but at the further three-year period to 1988/89. I said then that there were three major factors which would determine whether over the next three years we would be able to complete our mission, begun in 1981, to reverse the rapid down-hill slide of the 1970's and, further, restore sufficient strength to the economy to make it stable, productive and able to sustain meaningful growth once again. This, I know you will all agree, is the day we are all working, waiting and hoping for, when our financial recovery will be set on such a sure path that we can face the future with maximum hope and confidence.

I stated that we could only reach that stage if we were able to:

(1) Cut Government expenditure by an amount equivalent to 2% of our Gross Domestic Product, that is, by $258 million in 1986/87 which would carry-forward over the three years;

(2) Hold our rapidly declining bauxite and alumina export earnings at the levels targeted over the next three years without any further significant loss:

(3) Impose one more major tax package in 1986/87 which should last for the next three years.

Achieving targets

As the current financial year draws to a close in six weeks, I can report to you with some certainty how we have done in achieving these targets.

Let me begin with the toughest of the three first — to reduce Government expenditure very substantially in the financial year commencing April 1, 1986, by the amount of $258 million, which is the equivalent of 2% of GDP.

As we all painfully remember, to achieve this we had to reduce the level of staffing in the Government service by several thousand employees who had to be made redundant. In addition, services which were not essential or which were duplicated, but to which we had become accustomed, especially in Local Government, Education and Health when the country was more blessed financially, had to be redistributed to eliminate wasteful duplication or cut to levels which we can currently afford.

No Government wilfully reduces staff or cuts services, but this was the course we had to adopt to save large amounts of unessential or wasteful expenditure, failing which, we would not have been able to maintain the jobs and protect the welfare of much larger numbers of persons. In all such cases when governments must choose between the infliction of pain which affects some or many more, there can be no choice but to take action to understandably spare the many. We look back on these painful adjustments with sorrow, but equally we are inclined to overlook the far greater number whose livelihood and welfare and whose ability to support self and family would have been dealt severe blows if we had chosen any other course.

Almost behind us

With a considerable sense of relief, we can now say that this shattering episode in the programme of adjustment is almost entirely behind us. Few lay-offs remain to be effected. These are mostly in the Health and Local Government sectors where some hospital services, and market and street cleaning services which were inefficiently run for years are now being contracted out to private operators who have proven to be far better in delivering the services which the public is entitled to expect. For instance, we have seen the cleaner streets and better run markets in the city of Kingston. Now we want to see the same thing in the city of Montego Bay and in Spanish Town, Portmore and a host of other towns across the nation. The services for these areas are just being contracted out and undoubtedly the cleaner environment will soon be evident. The privatisation of the Health services, on the other hand, are still at the discussion stage.

Perhaps nowhere else in the Government service has the impact of the austerity programme to keep expenditure in line and to create savings, had more negative impact than among the teaching profession which has been pressing relentlessly for substantially increased pay. This issue has unfortunately become very clouded with emotions as a result of a campaign in which teachers have focused only on a part of the negotiations, leading themselves, as well as many parents and students, to believe that the Government's offer is limited to increases of 12½% and 10% on present salary covering the two-year period of salary review. Since the negotiations ceased and the Income Tax Reforms have been made public, the Government through the Minister of the Public Service has been able to make public the full benefits to teachers. As a result, everyone should now be aware that teachers would take home after April 1, 1986, increases ranging between 33%-78%, on the basis of improved salary, increased fringe benefits and reduced taxation.

By comparison, this is a very substantial offer, given the financial circumstances we all face. Increasingly teacher, parents and members of the public are now openly and publicly saying that the Government's offer is fair and acceptable. To continue agitation and demonstrations in the face of the facts and against the growing feeling that the Government has made an offer that is better on many points than what was bargained for by the Jamaica Teachers Association, after satisfying almost all of the claims, is to put the need for confrontation above the case for reason.

We must all now come to our senses on this matter. There is absolutely nothing significant to be added to the offer already made by Government, no matter how many demonstrations or sick-outs are held, and for how long and by whom. The Government has done its best and the best is as good as the best offer made to any sector in the Government service, if not better.

Except for any fine-tuning of the total package, to deal with, for instance, the case of the pretrained teachers, the only room that exists for significant change to shift some of what has been offered from those categories of teachers to whom it is said too much has been given, to those others whom it it proposed should have received more. But such a move, if desired, of course, must come from the JTA.

Not at this time

It is time for those teachers who recognise that the maximum offer possible has been made to speak out and do what is necessary to ensure an early settlement so that the benefits which will now be quite substantial, when back pay and Tax Reform savings are added, can be received by them. The time for settlement is now:

If there is any further room for improving teachers' salaries, it will not be at this time. The maximum has been done for the time being. But allow me to say that if the opportunity is to arise in the future, negotiations will never ever be successful with my Government if they are based on confrontation. This Government did not bow to pressure when efforts were made to close down the country last year. The strategy of confrontation failed then, and always will, with this Government.

Future approaches must be based on reasonable dialogue by reasonable men and women having regard to the times we live in. "Chucking badness" has never and won't ever gain any consideration from this Government, as the records prove to the dismay of all those who tried.

The right persons at the right time will have a much greater chance of success than those who think that this Government will yield when the case is weak, if the pressure is strong; that never has been and never will be the result.

Of course, there are many other complaints concerning the standard of education which were voiced during the course of the public debate on the issue of the teachers' pay. Mostly, these complaints overlook some very important accomplishments which are of substantial benefit to the educational system — the textbook scheme which has provided texts to primary school children for the first time. The school lunch programme now feeding almost the entire school population providing a vital nutritional daily meal; the repair and refurbishing of 150 primary schools and the building of 42 new ones —these are but some of the many positive developments in education which have been overshadowed by the issue of teachers' pay.

Interestingly enough, out of these complaints have come many suggestions that increased fees for education should be charged to help reduce the cost to Government. This week the Minister of Education will announce the plans for meeting some of the cost of tertiary education.

Only three ways

With the overall cuts in expenditure nearing completion as targeted, I wish to turn to the second of the three assumptions on which the restoration of financial strength over the next three years will rest. You will recall that I earlier said that this meant that we should endeavour as far as possible to avoid any further losses in bauxite/alumina earnings over the period to March 1989. Unfortunately in the course of this year, because of the continuing slide in the international market, we lost a further US$50 million in earnings from the Bauxite/Alumina sector as part of an overall fall of a little more than US$100 million in targeted export earnings.

This US$100 million loss in foreign exchange earnings has to be compensated for to enable us to reach our target of recovery.

There are only three ways to do this:

First — Increase exports, which is impossible in the short time remaining in this financial year since it is the reduction of exports targeted that caused the problem in the first place.

Second — Decrease imports. That too is impossible to any significant amount. Imports this year are already US$100 million less than in 1980, five years ago.

Third — In the absence of the possibility of increasing exports or decreasing imports, then the only choice remaining is to remove enough money from the marketplace in order to reduce the demand for imports which in turn decreases the need for foreign exchange at the auction. The effect of this reduced expenditure in foreign exchange will set off the shortfall of earnings in foreign exchange for the year.

It was for this reason that a tax package of $73.5 million was raised in January, not to provide revenue for extra expenditure, but to take $73.5 million out of circulation to help protect the value of the Jamaican dollar at the $5.50 rate of exchange. For the same reason the Bank of Jamaica has also been drying up liquidity in the market to protect the exchange rate from the pressure of this excess availability of funds. This is being done by taking substantial deposits which are held by the Bank of Jamaica.

And so the tax package in January, contrary to popular belief, was not to bolster expenditure, but to dry up some of the cash in circulation which would put pressure on the Jamaican dollar causing it to move above the level of $5.50.

Once we decided that the value of the Jamaican dollar had reached a competitive rate of exchange at $5.50 we can only keep it at that value by meeting our targets, or, in the event of slippage, by taking steps to put the economy back on target. Previously, we would have let the exchange rate move if there was slippage, as it did to more than $6.00 in October, instead of drying up the liquid cash by taxation and Bank of Jamaica deposits. Now that we are holding the rate at a $5.50 level, we must defend it as the need arises by performance, or by corrective action, if performance falls short.

To this tax package of $73.5 million, $26.5 million of non-tax measures are being implemented in this quarter, which will total $100 million in adjustment. The primary purpose is not to provide revenue for increased expenditure in this financial year, but to reduce demand for imports. At the same time, this $100 million over the period of a full year will provide $218 million in revenue to be spent in the new budget of the next financial year, beginning April 1.

Proposal

This brings us to the third task to be accomplished to enable the economy to be restored to sufficient strength within three years to enable it to sustain meaningful growth —the imposition of one more major tax package in 1986/87 sufficient for the next three-year period. The amount involved is $495 million of which the January effort and other adjustments in non-tax revenue in this quarter will yield $218 million towards that total. The balance remaining is $277 million.

This balance will have to be found for the upcoming budget. In doing so, I propose to use a number of non-tax revenue measures which will be outlined in due course, such as distribution of dividends by some of the public enterprises, etc. But there would still be a gap when all these other revenue measures are taken into consideration. It is proposed to close this gap by the savings to be generated from lower prices in the cost of oil which have suddenly materialised, and in so doing avoid the need for any further taxation in the next financial year. Any further savings in the cost of oil will be used to expand the capital budget to enable us to deal more effectively with the deterioration of the nation's roads, while withholding some of the windfall, in case there is a return to higher oil prices.

I am sure that you will understand when I say that the savings from reduced oil prices cannot be spent on salary increases, reduction in gasolene prices, or other permanent and recurrent expenditure which needs to be maintained every year, as no one knows how permanent the reduction in oil prices will be. Hence, it is wise and prudent to spent it only on capital developments, such as road improvements which are one-shot expenditures, with no on-going commitment over future years.

There has been some price reduction, however, arising from the fall in the price of oil. The Jamaica Public Service Company has already passed on 14.6% since December in reduced costs to consumers through the fuel clause in their bills, and will be passing on more. This should cause some easement of costs to consumers not only in electricity bills but through the reduction in prices that will eventually follow in commodities manufactured with the substantial use of electricity.

I have taken time in this broadcast to outline how the economy is performing in relation to meeting the three conditions which have been set to ensure that we fulfill the dream of economic recovery over the next three years, because I know to endure hardship we must always be able to hold before a vision of final success. In other words, we must be able to satisfy ourselves that we are working successfully towards an eventual goal. In this regard I can say to you that although we slipped somewhat off course in the first nine months of the present financial year in our drive to meeting the three conditions which are essential to recovery over the next three years, we have been able to repair the damage so far successfully, and at this point the economy is back on track in meeting the conditions which will ensure eventual recovery.

There may be other occasions of slippage along the course over the next three years. We must do our best to avoid these, but if they occur, we must take action to put the economy back on course promptly.

What remains

Looking at the next three years, which I have just reviewed, is the perspective I had proposed to address in my New Year's Message, so as to clearly identify that the way forward is much easier than the course we have just travelled. The lay-offs and redundancy are almost entirely behind us, so too is the heaviest part of the programme of new taxation and the reduction of services. What now remains is to build growth on the firm lean structure from which the fat has been trimmed.

We begin that rebuilding with by far the largest single programme for personal tax reform in the nation's history, to provide some $200 million of relief to the great majority of tax payers inclusive of 150,000 who will now pay no income tax at all. This programme, overnight has transformed the levels of personal taxation in Jamaica from the second highest and complex system in the world to one of the most moderate and simplest of any country.

The benefits should all be well known by now and if they are not they will begin to be evident from the increased level of take-home pay beginning the end of February for the great majority of employees, or by latest March, for others.

$8,580 a year (or $165 per week) will now be tax free for every employee. This figure replaces the $5,080 a year (or $97 per week) tax free level which I introduced two years ago.

But, apart from the substantial increase, there is a big, big difference in the present system. Under the old system, workers earning up to $97 per week enjoyed full relief from income tax. But if earnings exceed the $97 limit, say $150 per week, tax was levied not on the $53 extra but the full $150 per week. This was a serious disincentive to workers who naturally preferred not to work overtime or who preferred to cut back on production to ensure that their weekly earnings did not exceed $97 per week.

Under the present system, the new tax relief level is $165 per week. The big difference is that workers exceeding $165 per week, say $170, will now be taxed only on the extra $5 not on the full $170.

This is the biggest single tax break ever given to employees in our history. The benefit is very substantial to each category in the various income streams. I quote a few examples of improved annual net take-home pay covering a range of categories of employment:

A worker earning $10,000 P.A.	increase $1,522
A teacher earning $15,000 P.A.	increase $1,951
A senior secretary earning $20,000 P.A.	increase $3,173
A junior professional (e.g. doctor) earning $30,000 P.A.	increase $5,544
A middle manager earning $50,000	increase $10,473
A senior executive earning $75,000 P.A.	increase $16,575.

Some whose earnings are in the higher brackets and who were in a position to write their own tax packages in the private sector and took the advantage to give themselves a wide range of enormous tax deductible allowances, contrary to law, sometimes even exceeding the level of pay, are not going to enjoy those benefits. In such instances, they will find that the benefits have all been wiped out by the extent to which they abused the system in the past and, as a result, they will now have to pay more.

Take-home pay

Where such cases of additional payment occur in government agencies, the government will make good the difference to ensure that the net take-home pay of the employee is not affected. I implore the private sector to do likewise to ensure that no employee takes home less pay than before in those minority of instances where the system, in correcting the past abuse of the use of allowances results in reduced take-home pay.

Three other points concerning the tax reform measures should be stated briefly.

The first is the extraordinary simplicity of the new system. To calculate your tax package simply deduct from your annual pay the amount paid for pension contributions and N.I.S., then deduct the tax-free allowance of $8,580 and divide the balance by three to calculate tax at the 33⅓% rate applicable to all.

Hence from a salary of $12,074 P.A., deduct N.I.S. and pension contribution of $794, then deduct $8,850, giving a taxable income of $2,700. Tax payable is calculated by dividing this sum of $2,700 by three, which equals $900.

No more code numbers or complicated deductions! No more excuses on the part of anyone for not paying tax since it is within the competence of everyone to make the simple calculations of the new system.

The further incentive of lower tax rates is the second point to be made. It is wrongfully assumed that the tax rate is 33⅓ for everyone, a point which has given rise to the argument that we are taxing the rich at the same level as the poor. Nothing could be further from the truth. The 33⅓% rate is applicable only as a simple means of calculating the tax payable, or in other words, a method of calculation after deducting the tax-free amount of $8,580, etc.

The rate of tax payable is always a percentage of gross income not income after deduction of pension, N.I.S. and $8,580. On this basis the rate of taxation ranges from:

- The extremely low level of 4.73% at $10,000 gross income — instead of 19.9% previously;
- To 19.0% at a mid range of $20,000 gross income — instead of 34.9% previously;
- Up to a near maximum of 30.5% at $100,000 gross income — instead of 53% previously.

At these new levels of low effective rates of taxation from 4.7% to approximately 30% instead of the 20% to 53% rates previously applicable, there should be no need to evade taxes, and I can only promise that with the restructuring and computerisation of the revenue departments recently completed to ensure detection of evaders, the revenue authorities are going to be exceedingly harsh on evaders. In all conscience, at a low of less than 5% and high of about 30% everyone should conclude that they have been given a fair break at last.

Pensioners and persons who are disabled or over 65 years, in fact, will have more than a fair break. And this is the third and last point I wish to make.

Pensioners or disabled persons can now earn pension income of up to some $70,000 tax free. What is more, above this they would be taxed only on the excess. Those over 65 years can earn this total from pension and other sources of income.

Persons over 65 years who have no pension can now earn $15,000 per annum tax free so long as their income does not exceed $15,000 per annum. In this way we benefit only the needy.

Finally, a word about the means by which we will have to pay for all these benefits — tax on interest from savings deposits, and property tax.

Much hysteria has been created about the tax on savings deposit interest which reasonable thinking can dispel insofar as its impact on small to medium savers.

Tax on interest

In the first place, the tax is on the interest earned by savings not on the savings, as some have misunderstood. Hence if $40,000 savings are earning 20% interest the amount earned would be $8,000 for the year in question, which in fact, would be below the $8,580 tax-free allowance, so no tax would be payable.

In truth, therefore, the level of savings in banks or other prescribed institutions, such as building societies, would have to be around $45,000 before any tax would be payable. And if these savings were higher. Remember that the tax would only be on the excess. There is, therefore, no grounds whatsoever for the argument that we are taxing small savings as taxation would not commence until savings reached some $45,000 and this could not be described as small savings by any stretch of the imagination.

Property Tax is a tax on wealth based on the concept that if the value of your property increases then it increases your wealth and a small portion, up to generally no more than 4% or 1/25th of the value, should be paid to the state. Property values since 1974 have increased some two to four times. Residential property worth $19,000 in 1974 was in 1983 valued at $75,000 (four times): agricultural property worth $86,000 in 1974 was in 1983 valued at $272,000 (three times): commercial property worth $485,000 in 1974 was in 1983 valued at $1,250,000 (three times). In the lower ranges residential property worth $5,000 in 1974 was valued in 1983 at $10,000 (two times). This band would also include a significant number of the small agricultural parcels.

Currently, Property Tax is levied on 1974 values. We are obliged to levy Property Tax now on the new valuations of 1983. But to use the present tax rates on the new property valuations of 1983 would result in very high increases in property taxes. Hence, to avoid this, the increases are to be spread over three years beginning April 1986.

There are many who, of course, will argue that the Government should provide $200 million in personal income tax relief without finding ways to pay for it. This of course is not possible. It is a giant act of courage for the Government to have taken this action at this point at all, bearing in mind the onslaught which our bauxite industry had experienced and the resulting massive fall in revenues. Yet we have kept our timetable to do so notwithstanding the great difficulties. But this means that our timetable to pay out $200 million in benefits must be matched by our timetable to recover an equal amount in costs.

The last area of interest to which I will turn this evening concerns recent improvements in the clean-up of the environment and the need to likewise improve certain essential rural infrastructure, such as roads, water and lighting.

Clean-up programme

The programme of clean-up is now proceeding to the next stage of beautification of roads and parks, painting of murals on walls and building of arcades for vendors stalls. This programme will involve Kingston and other major towns as well as the main highways to improve popular vending locations and points of beauty, such as Fern Gully on which work has already begun.

Last December I concluded an island-wide tour and held discussions with all parish councillors seeking their views on essential work to be done in restoring road surfaces to normal condition, replacing defective pumps in the water supply system, installing electric lights in villages through which power lines passed but no electricity is supplied to the village, repairing schools and playfields, etc.

Estimates for the majority of these have been completed and we are now about to commence expenditure to deal with the more urgent cases of road blockages, the need for improvement in road surfaces, potholes, replacement of spare parts and pumps and to restore water supplies to thousands of persons, and the installation of 1,000 electric lights in villages through which electricity pass but for which no provision has been made to provide lights to the villages.

In addition, some playfields will be repaired and a programme of school repairs under the Ministry of Education will commence next month with repairs to the first 45 schools.

These programmes will be elaborated and expanded in the forthcoming budget for the next financial year 1986/87, commencing April 1, beyond the urgent cases which are to be dealt with now.

The out-turn of the economy this financial year, with the exception of the slippage in the export sector, shows results as generally good or better than originally targeted.

The import sector is roughly on target in spite of the fact that without licences and quotas which we recently removed, there is much greater freedom to import. As I said earlier, imports this year, contrary to the propagandists, are not only largely on target, but are nearly $100 million less than 1980. And yet there are few shortages, contrary to the crippling conditions of 1980.

Both revenues and expenditure are only slightly off target almost in equal amounts and, in fact, because of the tax package in January the fiscal deficit this year should be reduced below 6% as compared to the targeted 6.5% bringing us nearer yet to the 4% level which is one of the ultimate goals of the economic recovery programme.

We have completed our returns to the IMF, in respect of the September and January deadlines, to seek approval of a waiver for the breach occurring in September and in respect of the normal performance test for December, which was shifted by the IMF to January to meet their convenience. In doing so, we have complied with all requirements and expect a favourable review from the IMF on March 3, when our submissions are heard.

I wish to draw attention to one of the most significant events which passed almost un-noticed over the past few weeks, the visit of a joint team of World Bank/IMF and AID representatives requested by me. The team was called the "fresh look mission," because I specifically requested a fresh look by these institutions on the problems of Jamaica and the solutions we see and are employing, which sometimes are contrary to the views of these agencies.

This is the first such mission ever assembled, and from their review of the Jamaican case may come fresh insights which could change the course and attitudes of international lending agencies to developing countries, with resulting shifts in policy benefiting Jamaica and the wider developing world.

The mission, which spent two weeks in Jamaica, will report back to me in mid-March.

This initiative by Jamaica which may have far-reaching positive impact on a world basis is no different from the other occasions on which our country has taken the world stage to lead the way with positive ideas for the benefit of all. You need think only of the CBI, and the human resource facility recently adopted world-wide by the United Nations development programme at our initiative to strengthen the flow of human skills to countries such as ours which are losing skills.

In this light, we have never failed to respond to regional calls to assist in missions designed to restore stability or to prevent instability, without which the region would perish as vital sectors dried up from lack of support.

We participated in the mission to rescue Grenada and to restore stability. Only a few misguided fanatics today would continue to say we were wrong in doing so.

Sole initiative

In the last two weeks, at our sole initiative, we convinced the former president of Haiti to give up his position and leave the country to spare bloodshed for his people and great instability for the region. That was purely a Jamaican initiative without prodding by anyone.

Jean-Claude Duvalier invited the Jamaica government to advise him; we advised him very frankly, he took our advice and left with the help of the United States government which provided a plane, and the government of France, which has provided temporary asylum. A vast number of lives were saved by the success of this combined effort. These are the facts in a nutshell.

Jamaica's regional role has never been stronger or more respected. I go to Grenada this week to meet with President Reagan and our Caribbean colleagues to talk about the region and to Trinidad and Tobago in early March to continue to strengthen the process of rebuilding a good relationship with our most important CARICOM trading partner. For one day, in late March, the

Governor of Puerto Rico has asked me to participate in a programme designed to help him retain important benefits now enjoyed by the Puerto Rican economy which are endangered by pending U.S. tax legislation.

The spin-off for Jamaica could be very substantial. These are all brief but critically important visits in our regional interests.

The people of Haiti respected the fact that it was a sister Caribbean country that helped them solve their problem peacefully. We must always be prepared to strengthen each other because it is the importance of the region, not Jamaica alone, which creates much of the importance attached to us. From this we draw our strength with bigger nations, and upon this depends the good relations which we have built over the past five years that have been so influential in assisting us to weather the storms through which we have passed.

Now that the storms have begun to subside we can begin to face the future with greater hope, not yet by any means free from anxiety, but with less apprehension about the direction which we are pursuing and the results which they will yield.

We have been through the worst together; if we can continue to hold hands through the next phase of our recovery, we will reach the goals for which we aim and one day look at this period as the greatest challenge we, as a people, ever faced, and greatest triumph we, as a nation, ever achieved, we will have raised ourselves from the floor of despondency through the most crippling period of international economic adversity in our history, which devastated our bauxite sector, inflicting on us pain-ridden years of austerity. But notwithstanding this, we will have raised ourselves again to our feet with strength and pride and dignity. When the final day of triumph comes, it will truly be a measure of the Jamaican people, in which none could find us wanting.

As I say goodnight to you, please remember that on the last Wednesday night of every month, I answer questions from the public for 2½ hours. If you wish me to expand on these matters on which I have spoken tonight or to comment on any other matter, please call. I can only say that I look forward to these interludes of personal dialogue and would be very pleased to hear from you.

May God bless you all."

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CSO: 3298/363

GOVERNMENT OPENS CRACKDOWN ON PORT SMUGGLING OF DRUGS

FL260349 Kingston THE SUNDAY GLEANER in English 16 Feb 86 pp 1, 2

[Excerpt] A crackdown on ganja export from the wharves has been launched with a threat that all one hundred (100) port security members will be fired instantly if any more ganja is found on the island's ports; and export houses in whose containers ganja is found will be banned from exporting from Jamaica.

Minister of Transport and Public Utilities, the Hon. Pearnel Charles, who declared war on export of ganja through the wharves Thursday, told THE GLEANER yesterday that the illegal activity threatened agriculture, tourism and manufacturing and Jamaica risked losing its vessels on which ganja was shipped.

The minister disclosed these and other radical measures which have been taken, in order to avert what he saw as an imminent threat to the island's legitimate exports to the United States of America.

In other moves, he also placed the supervision of the port security under the Port Authority of Jamaica, and has given the port authority seven days in which to come up with a system to stem the shipment of ganja from Jamaica.

These new measures were communicated to representatives of the port authority, the Shipping Association of Jamaica, and the port security at an emergency meeting held at the minister's offices in New Kingston on Thursday.

Mr Charles told THE GLEANER yesterday that the major shippers had communicated to him their readiness to pull out of Jamaica if ganja continued to be placed in their ships. Furthermore, the United States Government has also told the minister that any ships from Jamaica found with ganja would be seized.

The emergency meeting, and strong warning from the minister came only a few days after the latest discovery of ganja at the port--on Thursday, February 6--when dogs sniffed out 60 parcels containing a total of 960 lb of ganja from Newport West, Kingston Harbour. Only a few days before that, on Monday, January 27, police narcotics dogs sniffed out 7,500 pounds of compressed ganja at berth 11, Port Bustamante.

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CSO: 3298/352

JAMAICA

SHIPPERS DISPUTE MINISTER'S CHARGES CONCERNING PORT DRUGS

Shipping Association Statement

Kingston THE DAILY GLEANER in English 17 Feb 86 pp 1, 3

[Text]

THE SHIPPING ASSOCIATION OF JAMAICA (SAJ) has challenged Mr. Pearnel Charles' analysis of the state of security provided by the SAJ on the ports and said several of the Minister's statements were inaccurate.

Mr. Charles, in declaring war on ganja exports from Port Bustamante, had said responsibility for security, formerly under the SAJ, would be taken over by the Port Authority of Jamaica. Legitimate exports were threatened and Jamaican vessels could be seized if ganja continued to be shipped from the port, Mr. Charles said.

The SAJ in a statement yesterday, over the signaturtre of Alvin Henry, general manager, said it had always been in charge of security operations at the port but if Mr. Charles wished to have the Port Authority take over the operations "then the Shipping Association of Jamaica, in the national interest, is only too willing to hand over, with immediate effect."

However, the SAJ said in the over 16 months from October 1984 to February 10, 1986 it had detected and reported 37 incidents involving a total of 61,276 lb. of ganja and had "taken steps to keep ahead of ganja exporters."

The statement by the SAJ said:

"The Shipping Association of Jamaica has taken note of the decision of the Minister of Public Utilities and Transport, Pearnel Charles, to put the Port Authority of Jamaica in charge of Kingston's port security, with immediate effect.

"In making this announcement, at a press conference on Thursday, February 13, the Minister made a number of statements which we, the Shipping Association of Jamaica, consider inaccurate. The Association would therefore like to use this statement to clarify this issue.

"Contrary to what the Minister said, that the Port Authority of Jamaica will 'resume' supervision of port security, we must state, for the records, that the Shipping Association of Jamaica and its members have already had this responsibility.

"Further, we find it difficult to understand the Minister's declaration that he will dismiss port security supervisors if further shipments of ganja are discovered since it is the job of port security to 'discover' or detect possible shipments of ganja and because the responsibility to dismiss port security personnel rests with their employers.

"The Minister's statements suggested that it was not enough for illegal narcotics to be detected before shipment but that those in charge of port security should ensure that such narcotics are not put in containers at all. For containers stuffed on the port a system for preventing ganja getting in is already in place. However containers stuffed outside the port area are in fact outside the jurisdiction of the SAJ's Port Security.

"The Minister gave no credit to the work and achievements of the Association in its anti-narcotic activities at Port Bustamante. The Shipping Association of Jamaica therefore wishes to place on record the following:

"In October 1984, five incidents involving the confiscation of 39,265 lbs. of ganja were detected by Shipping Association of Jamaica Security and the police were called in.

"In November 1984, one case was reported to the police resulting in the seizure of six lbs. of ganja.

"In December 1984, two cases were detected and reported to the police, resulting in the seizure of 146 lbs of ganja.

"For 1985 the figures are as follows:

January — one incident detected, reported to the police — 30 lb. of ganja seized.

February — two incidents detected, reported to the police —2,720 lb. of ganja seized.

March — two incidents detected and reported to the police — 46lb. of ganja seized.

April — no finds made.

May — three incidents detected, reported to the police — 576 lb. of ganja seized.

June — three incidents detected and reported to the police 76 lb. of ganja seized.

July — two incidents detected, reported to the police — 105 lb. of ganja seized.

August — four incidents detected and reported to the police —743 lb of ganja seized.

September — no finds.

October — three incidents detected and reported to the police —1,450 lbs. of ganja seized.

November — two incidents detected and reported to the police —7,202 lbs. of ganja seized.

December — one incident reported to the police — six lb. of ganja seized.

"And in 1986:-

January - five incidents detected, reported to the police — 7,945 lb. of ganja seized.

February (to 10th) — one incident detected and reported to the police — 960 lbs. of ganja seized.

"During that period, as far as we are aware, only two shipments arrived in overseas ports, one of which was seized by US Customs after SAJ Security warned them that the container appeared to have been tampered with prior to shipment from Port Bustamante.

"In addition to reporting these 37 incidents involving a total of 61,276 lbs. of ganja, the Shipping Association of Jamaica has taken steps to keep ahead od ganja exporters.

"In 1984, the Association met the expenses of importing seven trained dogs and the travelling expenses of a senior police officer to the UK. These dogs are now in active anti-narcotics service in the country's port security.

"In 1983 the Association brought representatives of US Customs to Jamaica to train and advise on port security as regards narcotics detection. The Shipping Association Security has maintained an open line of communication with US Customs in support of our own efforts at Port Bustamante.

"The SAJ has also maintained a steady dialogue with the local police, at all levels, especially over the past six months. We have offered, among other things, to finance the acquisition of more dogs and additional equipment to help strengthen the fight against all illicit exports.

"We ascribe our overall success in detection, first of all, to our concern as an association about ganja exports (and the crippling effect this has on our efforts at national development) and to the measures we have instituted because of this concern and because it has been our responsibility. Also, the years of experience we have accumulated in investigating and detecting illegal exports have served us in good stead.

"However, if it is the wish of the Minister of Public Utilities that the Port Authority of Jamaica takes over and operate security at Port Bustamante then the Shipping Association of Jamaica, in the national interest, is only too willing to hand over, with immediate effect."

Ministry Clarification

Kingston THE DAILY GLEANER in English 18 Feb 86 p 1

[Text]

There is no intention to remove security on the waterfront from the Shipping Association of Jamaica; the Port Authority will only be monitoring and regulating security on the ports along with the Police Force and SAJ, Public Utilities Minister Pearnel Charles said yesterday.

Mr. Charles said last week that because ganja shipments through Port Bustamante were threatening legitimate exports, responsibility for security at the Port would be taken over by the Port Authority.

The SAJ in a statement Sunday detailed its efforts at combatting drug trafficking through the port but said it was willing to hand over responsibility for security "in the national interest."

Mr. Charles said yesterday:

"Referring to the report in the Daily Gleaner of Monday, 17 February 1986 on Security on the Port of Kingston with the statement of the Shipping Association of Jamaica in respect of their responsibility for port security at Port Bustamante, the Secretary of the Port Authority has stated that the Port Authority as the Government regulatory body of all port facilities has a duty under the Port Authority Act to advise the Government on measures as the Authority considers necessary or desirable to maintain or improve the Port facilities.

"As such it is the Port Authority that advises the Government on the maintenance of Port Security. The responibility for the day to day operations of port security rests with the Shipping Association of Jamaica and it is not intended that this responsibility be removed from the Association. The Port Authority will be monitoring and regulating security at Port Bustamante and will be working with the Shipping Association of Jamaica and the Jamaica Constabulary Force to institute measures to control the trafficking of drugs at Port Bustamante."

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CSO: 3298/363

JAMAICA

BRIEFS

PNP ON IMF DEAL--A call for the Government to give "truthful" information on its present talks with the International Monetary Fund (IMF) has been made by the Chairman of the People's National Party, Mr P.J. Patterson. Mr Patterson said the country has not been told the reasons for the failure of the IMF test September last year nor the consequences of this failure. The PNP Chairman was on Wednesday responding to the Prime Minister's broadcast to the nation on Monday night. Mr Patterson said that Mr Seaga had rehashed the now familiar claims which he had been making since 1980, namely that the economy was "back on track"; that "we have been through the worst" and that his economic programme needed "three more years." He said the PNP rejected these claims categorically. Mr Seaga's economic model was incorrect and inappropriate, he said. "The PNP is once again demanding that Mr Seaga level with the country and gives truthful information on the status of current negotiations with the IMF and reveals the terms of the agreement he is now negotiating," Mr Patterson said. He said also that the PNP rejected the Prime Minister's right to divert all the savings from falling oil prices for budgetary support. This lack of consideration confirmed to the pattern of "unmerciful punishment" of the consumer and the motoring public. [Text] [Kingston THE DAILY GLEANER in English 21 Feb 86 p 3] /9317

CSO: 3298/363

PEASANTS ACCUSE ARMED CIVILIANS OF MURDER

PY041951 Asuncion LA TARDE in Spanish 3 Mar 86 p 28

[Text] The Paraguayan Peasant Movement [Movimiento Campesino Paraguayo--MCP] has made serious accusations through its legal representative that a gang of armed civilians killed four peasants. The lawyer also reported the arrest of a peasant and the disappearance of another in Santa Rosa, Misiones.

The MCP reported the killing in San Pedro de Ycua-Mandiyu of four peasants who were shot by a gang of armed civilians who acted with complete impunity. The MCP added that local police officer can do nothing because of the political influence of the people allegedly responsible for the crimes.

The report indicates that the peasants had been organizing to legally obtain land from the IBR [Rural Welfare Institute], which is why they were killed. The MCP report, however, does not identify the peasants allegedly killed.

The MCP communique also reports the arrest of peasant Sindulfo Coronel and the disappearance of another peasant, Eugenio Gomez, in Santa Rosa, Misiones. The report states that police came to Gomez' house several times looking for him.

The MCP leaders believe that attacks against peasants are made because, according to accusations by police, the above mentioned peasants have been carrying out clandestine activities to join the MCP. But the MCP communique says that the police accusation is false because the peasants are meeting only to seek solutions to their agricultural problems.

The communique concludes that the MCP lawyers are carrying out intensive negotiations to get Coronel's release and to find Gomez' whereabouts, because these peasants are only conducting open and legal union activities to improve their agrarian condition.

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CSO: 3348/448

COLUMNIST ON POSSIBLE CAUSE FOR COMMAND CHANGE

PY192010 Asuncion EL PUEBLO in Spanish 19 Feb 86 p 8

[Article from the "Green Wasp" column]

[Text] Cavalryman unsaddled: To everyone's surprise, except for the Green Wasp, the commander of the 1st Cavalry Division [DC 1] was replaced last week. Thus, General Gregorio Lopez Prado left the post to Colonel Victor Aguilera, who until recently was the commander of the 3d "Colonel Mongelos" Cavalry Regiment. Those who have a good memory will recall that Gen Lopez Prado was the commander of the powerful DC 1 for less than 1 year, so it was not yet time for his reassignment. It seems that soon he will be appointed military attache to the Paraguayan Embassy in Washington, or delegate to the Inter-American Defense Board. For those who understand military affairs, the replacement of Gen Lopez Prado by Col Aguilera means that Gen Andres Rodriguez, commander of the I Army Corps, now again has a man of his total confidence as head of the strategically located DC 1. Apparently, Gen Lopez Prado recently became estranged from Gen Rodriguez. And the political gossip circles of Asuncion are wispering that Rodriguez is in frequent contact with the so-called traditionalist members of the ruling party, much to the chagrin of the so-called militant members of the ruling party.

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CSO: 3448/448

PARAGUAY

BRIEFS

LAW STUDENTS ARRESTED--A group of students from the National University Law School has filed Habeas Corpus petition with the Supreme Court on behalf of three law students whom police arrested last Saturday. At present, neither the cause nor the place of their detention is known. The petition submitted by the group of students at the advice of a lawyer says that "citizens Hector Fernandez, Nelson Martinez, and Obdulio da Silva were arrested on 15 February by uniformed policemen from the Central Police headquarters. The arresting officers gave no justification for the arrests." The arrested students are active members of the student movement in the law school and leaders of the Salesian Youth Movement, which is active in apostolic church activities. [Excerpts] [Asuncion ULTIMA HORA in Spanish 19 Feb 86 p 39 PY] /9738

NEW CAVALRY DIVISION COMMANDER--The commander in chief of the Armed Forces has just appointed Colonel Victor Aguilera Torres as new commander of the 1st Cavalry Division, replacing Brigadier General Gregorio Trifon Lopez Prado. [Summary] [Asuncion ULTIMA HORA in Spanish 12 Feb 86 p 13 PY] /9738

CSO: 3348/448

ARMY TO HELP STOP FOOD SMUGGLING

Lima EL COMERCIO in Spanish 20 Jan 86 p A-4

[Excerpt] The Army infrastructure that will stop food smuggling into neighboring countries at all the border points is ready to go, according to the minister of war, General Jorge Flores Torres, yesterday. He was leaving for Tacna, the first stop on a tour of the military regions of the country.

He revealed: "We are waiting for the legal provision to permit the Army to curb this illegal trade that is taking food away from our people."

Gen Flores Torres' tour will end in a few weeks in the emergency zone (Ayacucho and Huanuco), according to reports.

The minister stated: "We cannot continue to subsidize Ecuador, Colombia, Brazil, Bolivia, and Chile through food smuggling. Therefore, a legal provision to permit the Army to curb this is expected momentarily."

International Meeting

He also referred to the upcoming conference in Lima among chiefs of the armed forces of Peru and Chile. It is part of the talks on arms limitations that began in Arica.

He stated that the Foreign Ministry is coordinating the agenda and details for this conference that will be held in May. He indicated that there will be a similar meeting with Ecuador.

No Discontent

He also revealed that it is a gross mistake to think that there is discontent in the Army because of low wages.

He said: "This is not true. We all need increases because the previous government more or less ignored us. We are treated separately. The president of the republic must decide when there will be an increase."

The minister of war added that his sector is calm because everyone has been promised an increase in February or March, according to Prime Minister Luis Alva Castro.

He stated that, because of inflation, everyone has suffered a great loss in purchasing power of the currency. As an example, he revealed that if a general earned $1,200 10 years ago, that same general would now earn $220 because of loss of buying power.

7717
CSO: 3348/423

RISING FOOD PRICES PUSH INFLATION RATE UP IN JANUARY

Lima EL COMERCIO in Spanish 2 Feb 86 p F 2

[Text] Due to the increase in food prices, the inflation rate went from 2.8 percent in December to 5.2 percent in January, according to data supplied by the head of the INE [National Institute of Statistics], Dr Graciela Fernandez Baca de Valdez.

In her first press conference in 1986 to announce the Consumer Price Index for Metropolitan Lima, she indicated that although the prices of certain foods are still frozen, others have increased notably. That is the reason for the current inflation rate.

Dr Fernandez Baca indicated that, thus far, the annual rate would be 85 percent. Based on the accumulated average between August 1985 and January 1986, inflation was 31.2 percent.

Sector That Increased Most

The sector that increased most is the one called Foods, Beverages, and Tobacco (8.4 percent), considered to have the greatest effect on the general average.

Within this sector, it is necessary to note the substantial increases in foods:

Fish and seafood, 26.7 percent; vegetables, 26.1 percent; legumes, 16.1 percent; tubers and roots, 34.4 percent; fruit, 9.7 percent; and meat, 6.7 percent.

Other products like sugar remained stable or recorded slight increases: coffee, 3 percent; fats, 2.6 percent; milk, 2 percent; and bread and cereals, 1.7 percent.

All the other foods that make up the "Family Basket" were lower.

Goods and Services

The sector known as Goods and Services recorded an increase of 5.8 percent.

In this sector, it is necessary to point out that so-called personal care services increased 11 percent, foods and beverages outside the home, 6.8 percent, and financial services, 8.3 percent.

The Clothing and Shoes sector went up 5.2 percent. According to the INE, the rates for shoe repair services increased 8.4 percent, shoes, 5.1 percent, and clothing, 5.1 percent.

The sector Recreation and Cultural and Educational Services recorded an inflation rate of 5.5 percent in the first month of the year.

INE technicians indicated that the increase in this sector is due to the large increase in the subgroup Recreational and Cultural Services, 15.3 percent.

Educational services increased 1.7 percent, equipment and accessories, 2.5 percent, and repair services, 1 percent.

The other sectors experienced lower increases--for example, Health Care and Medical Services (3.2 percent).

Within this sector, medical services increased 6 percent; hospitalization and other expenses, 3 percent; therapeutic machines and equipment, 1.8 percent; and medicine, 1.4 percent.

Furniture, Appliances, Housing

The sector Furniture, Appliances, and Housing Maintenance increased 2.3 percent in January.

This sector includes: furniture repair, 6.8 percent; furniture and equipment, 4.4 percent; repairs of domestic appliances, 3.9 percent; and dishes, 1.4 percent.

The sectors that had lower increases are Housing Rental, Fuels, and Electricity and Transportation and Communications.

All the components in the first sector--fuel, electric energy, and water--remained the same due to the freeze ordered. Only rentals increased, 2.6 percent.

In the Transportation and Communications sector, urban transportation service increased its rates 1.6 percent and telephone service went up 1.7 percent. Taxis have increased their rates 12 percent.

Gross Domestic Product

At another point in the press conference, she indicated that the Gross Domestic Product increased 1.9 percent in 1985.

All the economic sectors ended the year with positive rates except construction (-10.9 percent).

The agricultural-livestock sector grew 2.9 percent (livestock, 5.3 percent, and agriculture, 2 percent); fishing, 1.4 percent (thanks to the increase in anchovy fishing); electricity, 3.1 percent; manufactured products, 3.9 percent; trade, 1.6 percent; and others, 1.4 percent.

In the case of manufactured products, the increase is due to increased production in certain subsectors like textiles and metalworking, especially transportation equipment. However, one of the industrial sectors that went down the most was glass.

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CSO: 3348/421

COORDINATION BETWEEN FARM PRODUCERS, POLICY MAKERS URGED

Lima EL COMERCIO in Spanish 2 Feb 86 p F-14

[Interview with Hernando Guerra-Garcia, ONA manager; date and place not specified]

[Text] In an interview with EL COMERCIO, the manager of the ONA [National Agrarian Organization], engineer Hernando Guerra-Garcia C., asked for stable policies on marketing systems through agreements between the producers and those responsible for the agrarian policy.

He felt intermediaries were necessary. However, he indicated that, in certain cases, there is too much intermediation, increasing costs and causing shortages. He favored a selective position on price control. In other words, it is only feasible for certain products.

The ONA is a group of small and medium producers organized by products and valleys.

[Question] What conditions does the ONA ask the government for in order to give incentives to production and thus overcome one of the causes of shortages?

[Answer] In order to give incentives to production, there must be a stable policy for marketing the product. In agriculture, there are many types of marketing ranging from monopolies, as in the case of rice, to barter which is found especially in the mountains. The ONA advocates stability in marketing systems.

Concerning potatoes, this organization stated last year that the so-called shortage that normally occurs in January would be bad. At that time, none of the candidates for president established a clear agrarian policy. The potato is considered the most expensive seasonal product to grow. It was, therefore, very risky to plant it without knowing what the policy for the second half of 1985 would be.

The areas planted decreased noticeably as did credit since the majority of the work is financed. In other words, two factors combined: a lack of confidence in the future and a lack of adequate financing.

[Question] Have contacts been established with corresponding organizations like the Ministry of Agriculture?

[Answer] We have already talked with the minister of agriculture. We feel there must be agreement between the Ministry of Agriculture which sets the policies and the agricultural producers who do the work in Peru.

[Question] What are the basic points for an agreement between these parties?

[Answer] First of all, respect for the current marketing systems. A crop cannot be changed overnight from free trade to a controlled product or vice versa. This has always happened in our country with catastrophic results.

[Question] Especially for the producers.

[Answer] Catastrophic results for the producers which does not receive as much attention as partial shortages.

There must be organization in order to reach an agreement, since not all the institutions represent the farmers. There are institutions that represent agricultural workers, peasants without land, or unions which are not responsible for production. They collaborate in production, but those truly responsible for it are the producers. There must be agreement with the producers' institutions.

[Question] Will one of the basic points in the agreement refer to costs?

[Answer] At the time of agreement, real production costs must be considered and not lowered for political reasons. It is necessary to respect costs and leave an adequate margin in order to encourage production.

[Question] When talking about costs, does intermediation also have to be considered?

[Answer] Yes. Food prices also go up because of excessive intermediation in the marketing systems. It must be pointed out that intermediation in marketing is basic; however, it must be made more efficient. This would be easy to achieve if the farmers' institutions are encouraged. They have had freedom since 1980, but encouragement and support are also necessary.

[Question] Could the producers organize and sell their products directly?

[Answer] That is one possibility. In some cases it is feasible. It depends on the number of suppliers and buyers. There are products for which free trade is ideal, perishable products which we have never had problems with, vegetables.

[Question] What is your organization's opinion about the price control policy?

[Answer] Look, each crop is a separate possibility, a system. For rice, the controlled system is best because prices are fixed beforehand and there is a secure market. Therefore, the rice growers feel that this system is good. Before planting, they already know the price they are going to receive and know which people are going to buy the crop.

In the last 40 years, rice areas and productivity have quadrupled. The production per hectare has gone from 1,500 kilos to more than 6,000 kilos. This shows that this system is good for this product and under those conditions. I think that any system that operates effectively is good.

[Question] What can you tell us about the agricultural harvest that has just begun? Will expectations be met?

[Answer] The agricultural harvest has begun with problems of drought in the north and floods in the south but that is Peru. Agriculture has a number of unknowns. Therefore, all the measures dictated on national agriculture have to be long-term measures. There must be stable policies. No one year is the same as another. Therefore, you have to talk about averages.

[Question] With the change at the Ministry of Agriculture, do you feel there will be a change in viewpoint on the agricultural problem?

[Answer] It is obvious that a change in ministers has to mean a new viewpoint. We think the previous minister left for political reasons. In the case of the new minister, we think he will be more careful in dealing with the producers' institutions.

[Question] Is the so-called National Food Council feasible? If so, what characteristics would it have?

[Answer] For many years we have been advocating a National Food Council. There are now legal provisions for one.

This council would be designed as an intersectorial office under the Ministry of the Presidency. The production sectors--Ministry of Agriculture, Ministry of Fisheries--and other ministries that deal with supply--Industry and Commerce--would be represented on it. Also with a good team from the Ministry of Foreign Relations, we could import foods, not when it is urgent but when they are cheaper.

The responsibility cannot fall to a single minister. That is irrational. The National Food Council would take the responsibility off the shoulders of the minister of agriculture. This responsibility must be shared by the rest of the government.

[Question] How do current food imports made because of shortages affect the producers?

[Answer] The state cannot be deprived of its right to import under advantageous conditions. The producers advocate a policy of the fewest imports possible. However, if products can be obtained more cheaply abroad, then we will understand. It is necessary to harmonize the interest of the producers with national interests.

[Question] Do you feel that a price control policy causes discouragement, low production and productivity, and chronic shortages as some entities have indicated?

[Answer] I don't think there are any chronic shortages. I think our country can supply itself with a number of foods. Therefore, permanent policies are needed. There cannot be just self-supply and no exports. Production must extend to exports after taking care of domestic requirements. We must think big when we think of agriculture.

[Question] Outside of the reduction of interest rates for agricultural loans, what instruments are needed to achieve permanent development?

[Answer] The reduction of interest rates is a positive measure but the farmer does not just need credits. He needs to know how to use them. The Agrarian Bank must go to the small farmers and teach them how to use the credits. We consider this a big job.

The Agrarian Bank has improved notably. At the beginning of 1980, the bank did not even have 100,000 borrowers. Now the number must be about 150,000. In 5 years, it has been possible to achieve what used to take several decades. This is a giant leap which must be encouraged. The problem is not only to ask for more credit but to teach the farmer through adequate supervision.

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CSO: 3348/423

PERU

BRIEFS

DPRK ARMS PURCHASE CRITICIZED--The deputy minister of interior, Agustin Mantilla, returned from the DPRK Friday and announced that 10,000 rifles will soon arrive in Peru. He purchased them in that communist country for the police force. Mantilla never contradicted the accusation we made last week about the type of ammunition purchased for that weapon: 4.45-caliber bullets with steel cartridges that are only made in the DPRK and the GDR. This accusation is very serious for several reasons. It makes us dependent on someone like Kim Il-Song because we will have to buy the ammunition for his obsolete weapons from him. We will have to stop using the installed capacity of the brass factory--which cost $35 million--inaugurated recently by President Alan Garcia. (The brass that INDUMIL-PERU [Military Industries of Peru] makes is used to manufacture cartridges for weapons that FAMIL now produces for the FAL rifle that the Armed Forces use.) It also interrupts the chain of logistical maintenance of supplies for military institutions and auxiliary forces. The Industrial Service of the Navy has been sending the police force small arms which use brass 7.72-caliber bullets which is what the Army, the Navy, and the Air Force use. The DPRK rifles, with their steel 4.45-caliber bullets, cannot use the nationally made ammunition. It is also known that deputy minister Mantilla made this purchase without the approval of the Joint Command of the Armed Forces which authorizes the purchase of all materiel for military and police institutions. [Text] [Lima OIGA in Spanish 27 Jan 86 p 10] 7717

POTATO PRODUCERS DENOUNCE IMPORTS--While the minister of agriculture announced imports of 12,000 tons of potatoes in Lima, the producers in the main potato zones in the mountains told EL COMERCIO that not only will there be enough potatoes to meet the domestic demand, but it is likely that there will be a surplus for export. Producers from Huasahuasi, the main potato-producing zone in the country, revealed that they will be able to send 250 tons of this product to Lima daily beginning in February. This amount would increase as the harvest continues. Farmers from other productive zones in the mountains like Huancayo and the Ramon Castilla SAIS [Social Interest Agricultural Association] indicated that as soon as the "great harvest" begins (in March), there will be plenty of potatoes. This will permit them to meet the demand and also recover their losses from past years as long as the government establishes shelter prices and does not leave them up to the intermediaries. They indicated that, for these reasons, it is inexplicable that the Ministry of Agriculture is importing potatoes from France and Chile. "This is not at all justified. Not only will there be enough potatoes, but also the Peruvians do not like foreign potatoes. In 1983, the imported potatoes had to be fed to the pigs." [Excerpt] [Lima EL COMERCIO in Spanish 3 Feb 86 p A-1] 7717

ECUADOR ILLEGALLY RESELLING RICE--Tumbes, 17 Jan--Peruvian rice that is smuggled into Ecuador is then resold to Venezuela and Colombia by Ecuadoran merchants and smugglers at large profits. This trade benefits from the shortage of that product in those countries where the smugglers are paid in dollars. This accusation was made by the mayor of the new district of Aguas Verdes, Pablo Hipolito Aranguiri Dominguez. He revealed that food smuggling into Ecuador is alarming. He said that the inhabitants of Aguas Verdes witness basic foods being taken across our borders all day long. He indicated that Ecuador has its borders open to receive Peruvian food. However, it hinders the entrance of our manufactured products. He stated: "In Guaquillas, the merchants have an aggressive economic policy and do business at their own convenience. In the case of rice, they buy it when it suits them, like now when rice is very expensive in Colombia and Venezuela." Concerning control of food smuggling, the mayor of Aguas Verdes indicated that the policemen assigned to the border do as much as possible to repress that illegal trade, but these actions have not been effective so far. He announced that his municipal council will adapt municipal warehouses in the next few days in order to store all the basic foods that reach Aguas Verdes. These will then be distributed based on the quota for each merchant. He remarked that, in this way, the population of Aguas Verdes will be adequately supplied and the surpluses will not go outside the country. [By Javier Ascue Sarmiento, special correspondent] [Text] [Lima EL COMERCIO in Spanish 18 Jan 86 p A-14] 7717

POLICE AIR PATROL SERVICE--With the start-up of the "Police Air Service", the GC [Civil Guard] reaches the level of other police forces in the world and will expand its actions for the good of the community, especially its speed of intervention. For greater effectiveness, Metropolitan Lima has been divided into four zones and special plans have been drawn up to permit it to easily locate the site of intervention. With this service, it can perform sea or land rescues, transfer wounded, control traffic, locate missing vehicles, provide air cover for government officials, and patrol highways, electric towers, and priority public and private installations and offices. Due to the versatility of this type of helicopter (Bolcok BO-105), it can easily land at several "heliports" in the capital like the National Stadium, the Obrero sports field (across from Radiopatrulla), PETROPERU [State Petroleum Agency], the Ministry of Interior, Hospital Rebagliati, etc. The ceremony inaugurating this service was held at noon yesterday at Air Group No. 3 of the FAP [Peruvian Air Force]. It was attended by GC General Octavio Herrera Polo, chief of the JUTE [Headquarters for Special Tactical Units], and FAP Major General Jose Nadal representating the Air Force high command. Before taking off for the first air patrol in which the journalists participated, there was a demonstration of the FIR [Rapid Intervention Force] of the GC (which flies the helicopters). They simulated rescues of wounded and demonstrated jumps from the helicopter while in motion and stationary with and without ropes. This demonstrated the superb training of the GC members who, in one of the demonstrations, jumped with a rope from a height of almost 30 meters. [Text] [Lima EL COMERCIO in Spanish 1 Feb 86 p A-11] 7717

CSO: 3348/421

ST CHRISTOPHER AND NEVIS

TEXT OF SIMMONDS ADDRESS ON START OF 1986 SUGAR CROP

Basseterre THE DEMOCRAT in English 1 Feb 86 p 12

[Text of address by Prime Minister Kennedy Simmonds over national radio and TV on 31 January 1986 marking start of 1986 sugar crop]

[Text] FELLOW CITIZENS, GOOD EVENING.

I WILL SPEAK TO YOU THIS EVENING ON THE PROGRESS OF OUR EFFORTS TO REORGANISE AND RESTRUCTURE THE SUGAR INDUSTRY, AND ON ARRANGEMENTS FOR THE START OF THE 1986 CROP.

IN MY BROADCAST OF 7TH NOVEMBER 1985, AND IN MY BUDGET ADDRESS, I TOLD YOU THAT FOLLOWING A VARIETY OF STUDIES OF OUR SUGAR INDUSTRY, IT WAS DECIDED TO IMPLEMENT A RECOMMENDATION WHICH WAS COMMON TO ALL OF THEM - I.E. THAT THE SUGAR INDUSTRY SHOULD BE OPERATED WITH A SINGLE MANAGEMENT STRUCTURE UNDER ONE CORPORATION INSTEAD OF TWO. IT WOULD BE READILY APPRECIATED BY ALL THAT THIS STREAMLINING OF THE INDUSTRY'S MANAGEMENT WOULD RESULT IN A REDUCTION OF OVERHEAD COSTS, AND GREATER EFFICIENCY AND CONTROL WITHIN THE INDUSTRY.

WE RECEIVED ASSISTANCE FROM VARIOUS SOURCES. FIRST THE BRITISH DEVELOPMENT DIVISION (BDD) FUNDED THE SERVICES OF THE BOOKER CORPORATION WHICH PROVIDED US WITH THE MOST RECENT REPORT ON THE INDUSTRY. WE THEN SOUGHT AND RECEIVED THE ASSISTANCE OF A TEAM FROM THE CARIBBEAN DEVELOPMENT BANK (CDB) TO HELP WITH THE PREPARATION OF A PROGRAM TO IMPLEMENT THE "MERGER". FINALLY WE APPOINTED A LOCAL COMMITTEE TO UNDERTAKE THE PRACTICAL ARRANGEMENTS FOR US TO HAVE THE "MERGER" COMPLETED IN TIME FOR THE 1ST FEBRUARY, 1986. THIS COMMITTEE MADE RECOMMENDATIONS FOR THE NEW MANAGEMENT STRUCTURE, DEFINED ROLES AND FUNCTIONS OF PERSONNEL, PREPARED JOB SPECIFICATIONS AND SALARY LEVELS AND WORKED OUT THE PROGRAM FOR THE INTEGRATION OF THE TWO MOST CRUCIAL AREAS, THE ACCOUNTS AND ENGINEERING SECTIONS.

THE COMMITTEE WAS COMPRISED OF MR. EUGENE PETTY, PERMANENT SECRETARY, AGRICULTURE LANDS HOUSING AND DEVELOPMENT (CHAIRMAN), MR. SUSWYN MILLS, PERMANENT SECRETARY. FINANCE. MR. WALTER SIMMONDS. ACCOUNTANT NACO, AND MR. SAMUEL NATHANIEL, ACCOUNTANT SSMC.. I TAKE THIS OPPORTUNITY TO PUBLICLY ACKNOWLEDGE THE EXCELLENT WORK DONE BY THIS COMMITTEE, AND TO THANK THEM FOR THEIR STERLING SERVICE.

AS I HAD PROMISED IN THE PAST, THE REORGANISATION HAS NOT RESULTED IN THE LOSS OF ANY JOBS OF PERSONS INVOLVED IN THE HARVESTING OR MANUFACTURING OPERATION. IT WAS INEVITABLE, HOWEVER, THAT THERE WOULD BE SOME LAY-OFFS AMONG THE OFFICE STAFF. IT IS WELLKNOWN THAT OUR INDUSTRY LIKE SUGAR INDUSTRIES IN OTHER COUNTRIES IS CAUGHT IN THE VISE-LIKE GRIP OF FALLING SUGAR REVENUES AT A TIME WHEN COSTS OF MACHINERY, EQUIPMENT, AND OPERATING COSTS GENERALLY ARE RISING. IN THESE CIRCUMSTANCES, WE HAVE A SUGAR INDUSTRY TODAY BECAUSE MY GOVERNMENT HAS YEAR AFTER YEAR SUPPORTED THE INDUSTRY FINANCIALLY AND KEPT IT AFLOAT. I AM DEEPLY DISTRESSED THAT WE WERE UNABLE TO KEEP ALL MEMBERS OF STAFF EMPLOYED. A FEW HAVE

SUFFERED SO THAT THE MANY MAY SURVIVE. LET ME SAY TO THOSE LEAVING, THAT WE ARE DEEPLY APPRECIATIVE OF THE SERVICE YOU RENDERED, AND WE ARE CONFIDENT, THAT AS WE CONTINUE TO IMPROVE AND DIVERSIFY OUR ECONOMY YOU WILL FIND A GREATER OPPORTUNITY AND A BRIGHTER FUTURE IN OTHER AREAS OF ENDEAVOUR.

IN THE RESTRUCTURING, 24 STAFF POSTS WERE MADE REDUNDANT AND PERSONS INVOLVED WERE INFORMED BY LETTER OF 24TH JANUARY, 1986. EVEN THOUGH OUR LEGISLATION ON THE ISSUE OF REDUNDANCY HAS ONLY HAD ITS FIRST READING IN THE ASSEMBLY, IT WAS USED AS THE GUIDELINE FOR THE DETERMINATION OF REDUNDANCY PAYMENTS. ALL PERSONS MADE REDUNDANT WERE PAID AS FOLLOWS:

(1) PAYMENTS IN LIEU OF NOTICE RANGING FROM 1 TO 6 MONTHS ACCORDING TO SENIORITY;

(2) PAYMENT FOR HOLIDAYS DUE;

(3) SEVERANCE PAY BASED ON 2 WEEKS FOR EACH YEAR OF SERVICE IN NACO.

THE TOTAL PAID OUT IS $156,045.94. IN THE CIRCUMSTANCES, ALL PERSONS MADE REDUNDANT WERE FAIRLY TREATED. ALL OTHER MEMBERS OF STAFF WERE INFORMED BY LETTER THAT THEIR SERVICES WOULD BE REQUIRED BY THE SSMC.

AS OF 1ST FEBRUARY, 1986, NACO WOULD CEASE TO EXIST AND THE ENTIRE SUGAR INDUSTRY WILL BE OPERATED BY THE SSMC. IN THE INITIAL STAGES, THERE MAY BE UNFORESEEN DIFFICULTIES AND ANOMALIES, BUT WITH GOODWILL ON ALL SIDES AND A GENUINE DESIRE TO SEE OUR COUNTRY PROGRESS, WE WILL OVERCOME ALL DIFFICULTIES.

AS I INDICATED ON A PREVIOUS OCCASION, THE NACO OVERDRAFT AT THE NATIONAL BANK WILL BE TAKEN OVER BY THE GOVERNMENT, AND APPROPRIATE ARRANGEMENTS MADE FOR ITS SERVICING. ALL OTHER DEBTS OR LIABILITIES OF NACO WILL BECOME LIABILITIES OF THE SSMC. I WISH TO THANK ALL FORMER EMPLOYEES OF NACO FOR THEIR SERVICE, AND ALSO ALL MEMBERS OF THE BOARD OF NACO FOR THE DEDICATED SERVICE THEY RENDERED DURING VERY DIFFICULT TIMES FOR THE INDUSTRY.

I TURN NOW TO REVIEW THE ARRANGEMENTS FOR THE START OF THE 1986 CROP. BEFORE GETTING DOWN TO SPECIFICS, HOWEVER, I WILL BRIEFLY OUTLINE THE SITUATION OF SUGAR IN GENERAL, TO PLACE OUR POSITION IN PERSPECTIVE.

THE CURRENT PRICE OF SUGAR WHICH WE SELL TO ENGLAND IS £255 PER TON INCLUDING FREIGHT WHICH WE PAY. HOWEVER, THE VALUE OF THE £ HAS BEEN FALLING STEADILY AND TODAY THAT PRICE IS EQUIVALENT TO US$.16 PER LB. SUGAR SOLD TO THE U.S. IS US$.18 PER LB. THE PRICE ON THE WORLD MARKET IS US$.04 PER LB.

OUR COST OF PRODUCTION IS US$.22 PER LB. OR US$483 PER TON. THIS IS ONE OF THE LOWEST AND MOST EFFECTIVE PRODUCTION COSTS IN THE REGION.

IT IS CLEAR THAT THERE IS NO POINT SELLING ON THE WORLD MARKET AT US$.04 PER LB. WHEN IT COSTS US 22¢ PER LB. TO PRODUCE AND MARKET THE PRODUCT. IN ANY CASE EVEN AT THE BEST AVAILABLE PRICE IT STILL COSTS US MORE, US$483, TO PRODUCE A TON OF SUGAR THAN THE US$410 THAT WE CAN SELL IT FOR. THIS IS THE BEST PRICE WE CAN OBTAIN FROM THE USA. THE SITUATION HAS BEEN MADE WORSE BY THE PASSAGE OF THE FARM BILL IN THE UNITED STATES. UNDER THIS LEGISLATION THE SUGAR QUOTA FOR ALL COUNTRIES WILL BE REDUCED AND SHORTLY REMOVED ALTOGETHER. IN ADDITION THE VALUE OF THE £ CONTINUES TO FALL. THEREFORE, WITHOUT THE SUPPORT OF THE GOVERNMENT THE INDUSTRY WILL DIE AND WITHER AWAY.

AGAINST THAT BACKGROUND, NEGOTIATIONS BETWEEN NACO/SSMC TOGETHER (IN ANTICIPATION OF THE MERGER) AND THE ST. KITTS-NEVIS TRADES AND LABOUR UNION BEGAN ON 15TH JANUARY, 1986, WITH THE UNION DEMANDING THE FOLLOWING IN RESPECT OF WAGES AND BONUSES:

(1) THAT A GENERAL WAGE INCREASE OF 25% BE GRANTED;

(2) THAT THE END OF CROP BONUS BE INCREASED TO 5%;

(3) THAT THE CHRISTMAS BONUS BE INCREASED TO 10%;

(4) THAT THE DULL SEASON BONUS BE INCREASED TO 5%;

(5) THAT A SPECIAL PAYMENT (GOAT WATER) BE PAID IN JANUARY 1986;

(6) THAT THE WEEKLY PENSION OF $7 ON ESTATES BE INCREASED TO $10.

IT IS CLEAR THAT ON THE BASIS OF THEIR EARNINGS, SSMC/NACO CAN'T AFFORD TO PAY PRESENT WAGES AND BONUSES MUCH LESS CONSIDER ANY INCREASE AT ALL.

GOVERNMENT, HOWEVER, BEING FULLY AWARE OF AND SYMPATHETIC TO THE NEEDS OF THE WORKERS IN THE INDUSTRY, DETERMINED THAT WITHIN THE LIMITS OF PRUDENCE, WE WOULD FIND A WAY TO GIVE INCREASES TO THE WORKERS. WE THEREFORE ADVISED SSMC/NACO THAT THEY COULD OFFER MODERATE INCREASES IN THE FOLLOWING TERMS:-

(1) A GENERAL WAGE INCREASE OF 4%;

(2) AN END OF CROP BONUS OF 4%;

(3) A DULL SEASON BONUS OF 4%;

(4) A CHRISTMAS BONUS OF 7%;

AND WE WOULD PROVIDE THE MONEY FROM THE PRICE STABILIZATION FUND. WE HAD USED THE SPECIAL WAGES INCREASE FUND PREVIOUSLY AND THAT FUND IS NOT NOW STRONG ENOUGH TO ASSIST US AT THIS TIME.

WHAT IS THE STATE OF THE PRICE STABILIZATION FUND? 3.6 MILLION DOLLARS IS STILL IN THE BANK OF COMMERCE AND IS NOT AVAILABLE TO US NOW. THE BANK OF COMMERCE CASE IS NOW BEFORE THE COURT. IN NATIONAL BANK THE FUND HAS ABOUT 4.9 MILLION DOLLARS. SOME MAY THINK THAT IS A LOT OF MONEY, BUT WITH THE PROSPECTS THAT WE MAY LOSE OUR U.S. QUOTA AND THAT THE PRICE OF SUGAR WILL GET WORSE INSTEAD OF BETTER, WE CANNOT USE UP ALL OF THE MONEY IN THE FUND AT ONE SHOT, AND HAVE NOTHING TO FALL BACK ON. THE WAY THINGS ARE GOING, WE MAY HAVE TO REVERT TO THE FUND NEXT YEAR JUST TO KEEP WAGES WHERE THEY ARE AND NOT ASK THE WORKERS TO TAKE A CUT.

IN MANY AILING BUSINESSES IN THE UNITED STATES AND ELSEWHERE IN THE WORLD, WORKERS HAVE BEEN ASKED TO TAKE A CUT, A REDUCTION IN WAGES, AND THEY HAVE DONE SO GLADLY, PREFERRING TO HAVE HALF A LOAF RATHER THAN NO LOAF AT ALL. WE HAVE NEVER ASKED THE WORKERS IN THE SUGAR INDUSTRY TO TAKE A CUT IN PAY, AND WE DO NOT WISH TO START NOW.

IN ADDITION, SINCE THE REVENUES FROM SUGAR ARE NOT LIKELY TO BE BETTER NEXT YEAR THAN THIS YEAR, WE CAN ONLY GIVE THE INCREASE THIS YEAR,ON THE UNDERSTANDING THAT IT WILL CONTINUE TO BE FINANCED FROM THE FUND UNLESS AND UNTIL THE REVENUE FROM SUGAR INCREASES TO THE POINT WHERE THE INDUSTRY CAN ITSELF TAKE OVER THAT PAYMENT. SINCE WE DO NOT KNOW HOW LONG THE PRESENT RECESSION IN SUGAR WILL LAST WE MUST BE PRUDENT IN THE USE OF THE FUND, AND STRETCH ITS RESOURCES AS FAR AS POSSIBLE.

THE ASSISTANCE THAT GOVERNMENT IS GIVING TO THE INDUSTRY, TO KEEP IT ALIVE SO AS TO PROVIDE EMPLOYMENT FOR THE WORKERS SHOULD REMIND YOU OF WHAT I HAVE SAID TO YOU SO OFTEN IN THE PAST - "WHEN THERE WAS PLENTY, WE GAVE YOU ABUNDANTLY," AND NOW THERE IS LITTLE WE ARE LITERALLY SQUEEZING BLOOD OUT OF STONE TO OFFER YOU STILL GOOD WAGES AND LIBERAL BONUSES.

YOU MUST REMEMBER THAT NOW THAT YOUR WAGES ARE INCREASED, YOUR BONUSES WILL INCREASE IN REAL TERMS BECAUSE THEY ARE A PERCENTAGE OF YOUR WAGES.

ON 20TH JANUARY, 1986, THE UNION REDUCED THEIR DEMANDS TO -

(1) A GENERAL WAGE INCREASE OF 18%;

(2) END OF CROP BONUS OF 4% ACCEPTED;

(3) DULL SEASON BONUS OF 4% ACCEPTED ;

(4) CHRISTMAS BONUS OF 8%.

THESE DEMANDS, PARTICULARLY THE MAGNITUDE OF THE REQUESTED WAGE INCREASE, WERE STILL UNREALISTIC IN THE PRESENT CIRCUMSTANCES. SINCE NO AGREEMENT WAS REACHED, THE MATTER WAS REFERRED TO THE LABOUR COMMISSIONER, WHO, UNABLE TO RESOLVE IT REFERRED IT TO THE MINISTER OF LABOUR, HON. MICHAEL O. POWELL. AFTER MEETINGS ON 29TH AND 30TH JANUARY WITH ALL PARTIES CONCERNED, THE MINISTER DETERMINED AS FOLLOWS:-

(1) THERE WILL BE A GENERAL WAGE INCREASE OF 4%;

(2) THE END OF CROP BONUS WILL BE INCREASED TO 4%;

(3) THE DULL SEASON BONUS WILL BE INCREASED TO 4%;

(4) THE CHRISTMAS BONUS WILL REMAIN AT 7%;

(5) THE INCENTIVE BONUS FOR CANE CUT AFTER EASTER WILL REMAIN.

IN ADDITION, ALL PENSIONERS OF NACO WHO WERE RECEIVING $7 PER WEEK WILL NOW RECEIVE $10 PER WEEK. THE INCREASE WILL ALSO COME FROM THE FUND UNTIL THE INDUSTRY IS IN A POSITION TO ABSORB IT.

AS MINISTER OF FINANCE I WILL BE OFFERING A FURTHER CONCESSION TO THE WORKERS. I PROPOSE TO EXEMPT THE CHRISTMAS BONUS PAYABLE IN DECEMBER FROM THE SOCIAL SERVICES LEVY.

THESE THEN ARE THE CONDITIONS OF WORK WHICH WILL BE OPERATIVE FOR THE COMING CROP. I BELIEVE THEY ARE VERY GENEROUS IN THE CIRCUMSTANCES, AND I WOULD INVITE ALL WORKERS TO WORK FROM BEGINNING TO END OF CROP, BE AS PRODUCTIVE AS YOU CAN. MAKE YOUR EFFORT TO SAVE YOUR INDUSTRY AND EARN MONEY WHILE IT IS THERE TO BE EARNED.

BECAUSE OF THE REORGANISATION WE ARE A BIT LATE IN STARTING THE CROP. LET US CATCH UP.

THE CROP WILL START ON MONDAY 3RD FEBRUARY. LET US REAP IT WITHIN THE BEST ECONOMIC PERIOD. THE BETTER THE INDUSTRY DOES, THE BETTER YOU DO. LET US GET ON WITH THE JOB FOR OURSELVES AND OUR COUNTRY.

GOD BLESS YOU!

/9274
CSO: 3298/358

STATUS OF UNION-GROWERS-GOVERNMENT SUGAR TALKS

Basseterre THE LABOUR SPOKESMAN in English 1 Feb 86 p 1

[Text] On Wednesday and Thursday of this week, representatives of the St Kitts-Nevis Trades and Labour Union, the St Kitts Sugar Manufacturing Corporation (SSMC) and the National Agricultural Corporation (NACO) met at Government Headquarters, Basseterre, under the chairmanship of Mr Michael O. Powell, Deputy Prime Minister and Minister of Labour and Tourism.

The Union was represented by Comrades Joseph N. France, Fidel O'Flaherty, Owen Caines, Dudley Gumbs and Joseph Jones.

SSMC was represented by Messrs. Peter Van Hamel, Vincent Corbin, Samuel Nathaniel and Bernard Audain.

NACO was represented by Messrs. Leonard James, Christopher Walwyn and Wentford Rogers.

The Union put forward a case for the following increases for sugar workers:

(1) a general wage increase of 18%;

(2) an increase in the Xmas bonus from 7% to 8%.

(3) An increase in estate workers pension from $7.00 to $10.00 per week.

During the earier negotiations, the Union, NACO and SSMC had agreed to increase the end-of-crop bonus and the dull season bonus to 4%.

The Union referred to a number of problems facing sugar workers, including-

(a) the sharp increases in the cost-of-living;

(b) sugar workers do not get a full week's work (or pay) in the dull season;

(c) the recent imposition of a 2% levy on wages by the government;

(d) increases given to other categories of workers in the island.

The Union also pointed out that other Caribbean sugar-producing countries, faced with similar money problems to those being faced in St Kitts, had still found ways to improve the wages of their sugar workers.

The sugar corporations responded that they were sympathetic to the plight of the sugar workers but they had no money.

The Union suggested that the Government take some money from the sugar funds to pay the increases in wages, bonuses and pensions to the workers.

In the end, Mr Powell said that, as far as the government was concerned, the final offer to the Union was -

(a) End-of-crop bonus increased to 4%,

(b) Dull season bonus increased to 4%,

(c) Estate workers pension increased to $10.00,

(d) A general wage increase to 4%.

The Union Executive is scheduled to meet later today to consider the matter.

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CSO: 3298/358

MINISTER OF TRADE AND INDUSTRY ADDRESSES DEVELOPMENT GROUP

Basseterre THE DEMOCRAT in English 1 Feb 86 p 11

[Excerpts from address by Minister of Trade and Industry Roy Jones at 25 January 1986 opening meeting of the East Caribbean Foundation for National Development at the Fort Thomas Hotel]

[Text]

Let me on behalf of the Government and People of St. Kitts and Nevis, say a word of WELCOME to ALL of you here, especially the Delegates and Representatives from overseas. You have come at a good time. You have come when some of us are still glowing with a sense of pride over how our country is viewed by others. FREEDOM HOUSE, an independent, non-profit organization based in New York released the results of its 1985 Annual worldwide survey of over 160 countries and territories, in every corner of the globe, and named St. Kitts and Nevis one of the world's "MOST FREE" nations for the second time in succession. St. Kitts and Nevis received the highest rating possible, for political rights and civil liberties. I sincerely hope that those of you who are visiting St. Kitts for the first time will set aside a little of your time, to sample the hospitality of our people and to get a taste of the kind of FREEDOM that makes our country one of the FREEST in the world. You should speak to our people. Feel free to ask our people questions. They will be glad to answer.

Government recognises the importance of small business development and is committed to creating the right climate that will foster and encourage the establishment and development of small business. We are aware too, that small businesses can and do grow into big ones and sometimes into giant ones. In any case, nearly all the businesses in St. Kitts and Nevis, whether they fit the description of small, medium sized, large or extra large, started small. So we in Government are mindful that being small is only a stage on the way to growing BIG. Nobody has to tell us or remind us that the islands of the East Caribbean are very small and weak in terms of economic and political development. And as such, we know that our individual efforts are limited. But by pooling our resources we can make ourselves, seen, heard and understood.

The CARICOM Countries could be a formidable economic force if we would act together more and better. Some members of the community have not lived up to the guiding principles of the CARICOM Treaty or even the Nassau Understanding hammered out at the CARICOM Heads of Government in 1984

But I am not going to harp about the weaknesses, problems and failings of CARICOM here today. Except to say, the problems are serious. I believe however, that in spite of the problems and set backs we in CARICOM have the "WILL" political and otherwise, to hold the community together and wrestle with the problems with the determination to overcome them. I think we can and will. Government supports the efforts, objectives and goals of the St. Kitts and Nevis Foundation for National Development and congratulates its officers and members on their achievements so far and for hosting this important meeting.

What I'll say now, I cannot say loud enough, but I'll say it nonetheless. The Government of St. Kitts and Nevis, has a clear vision of what it wants to achieve. We are determined to improve the quality of life for our people. And, Meetings like this, offer hope and increase our opportunities. I have a problem at times trying to make some people understand that DEVELOPMENT and GROWTH take time. And at a time when nearly all the Caribbean Nations are experiencing slow growth, lay-offs and closures in our manufacturing industries, and at a time when this region is plagued by very low prices for our traditional exports like sugar and bananas. Your organization, the Foundations for National Development, can represent a new source for building confidence in our people - and in particular, the small business people who are more vulnerable to the present adverse economic climate. The donor agencies funds, therefore, could spell the difference between collapse or survival of certain small businesses.

The prophets of doom and gloom in this country are always making the claim that doomsday for St. Kitts and Nevis is just around the corner. Don't believe them! The prospects for continued meaningful growth are still good and I can say the same for employment. But I must give a word of warning. Our productivity gives me cause for serious concern especially in the Public Sector. Productivity and work ethic in the Civil Service for example, are low and bad respectively. And this hurts our country. Of course, there are some Civil Servants who work hard and conscientiously but in my opinion, they are the exception and not the rule.

I would like to remind the workers of this country that they are expected to give a fair day's work for a fair day's pay. Less than that, they are hurting our country and impeding our progress. While on this subject, let me also call on the employers to pay a fair day's pay for a fair day's work.

We have heard over and over the importance of being able to feed ourselves. It is especially to the small business people that the Government of St. Kitts and Nevis look for much needed help in this area. Government is anxious to see more and more of our people getting involved in FARMING. For we must aim to feed ourselves. The opportunities exist in farming, in large numbers but sad to say, the takers are few. Too many of our people expect Government to do almost everything for them. I would like to remind them that Nation-Building is not for Government alone. Nation-Building must involve all of us. All of us have a part to play.

I feel compelled also, to mention two of the main criticisms directed against the Government of St. Kitts and Nevis by the Opposition.

1. GOVERNMENT IS TRYING TO KILL THE SUGAR INDUSTRY. That is far, far from the truth. The Sugar Industry is still the mainstay of our economy, and Government is determined and has made it absolutely clear, that we intend to keep this vital industry. The fact is, Government is presently in the process of upgrading the industry with a view to protecting the livelihood of the 5,000 sugar workers and their family and to help make the Industry viable.

2. GOVERNMENT WANTS TO DESTROY TRADE UNIONS IN THIS COUNTRY. Again this is not true. Consistently, we in Government have said that we support Trade Unions. As late as November last year, our Prime Minister, the Rt. Hon. Dr. Kennedy Simmonds addressed this issue in the National Assembly. He called on Genuine Trade Unionists to make up their minds whether they are Trade Unionists or Politicians. In the past, Trade Unions achieved great benefits for their members and I congratulate them for that. But, for them to continue the same kind of confrontation with Management, and demanding astronomical increases when the operations simply cannot absorb these increases, is suicidal.

/9274
CSO: 3298/358

COMMUNIQUE DESCRIBES EEC AID UNDER LOME CONVENTION

FL151928 Bridgetown CANA in English 1600 GMT 15 Feb 86

[Text] Basseterre, 15 Feb (CANA)--Prime Minister Dr Kennedy Simmonds praised the contribution of the European Community (EC) to St Kitts and Nevis during aid talks this week with an EC delegation.

We can say that we have benefitted considerably over the years from our relationship with the EC, Simmond told the delegation, headed by Deputy Director General for Development Maurice Foley.

Its members left here yesterday for Barbados at the end of a two-day visit.

The aim of the meetings was to draw up the indicative programme of community aid for St Kitts-Nevis, in accordance with the provisions of the Lome Convention II between the Africa, Caribbean, and Pacific (ACP) states and the European Economic Community (EEC), a communique at the end of the talks said.

Under the convention, St Kitts and Nevis will receive approximately EC7.5 million dollars to be focused on primary school rehabilitation in St Kitts and improvement of the water supply in rural areas of Nevis.

In addition, the communique said, the European Investment Bank will help finance capital investment in certain productive facilities that conform to the convention.

The discussions concluded, the communique added, with the signing of the indicative programme of community aid.

While here, the EEC delegation toured projects in St Kitts and Nevis financed by the European Development Fund. This twin-island federation became a full member of the convention in 1984 but has been associated with EC for 10 years. During this time, it has received 11 million dollars in aid.

/9274
CSO: 3298/358

ST LUCIA

CONTINUATION OF PLP LEADER'S ADDRESS TO PARTY CONGRESS

Castries CRUSADER in English 8, 15 Feb 86

[Parts 2 and 3 of address to Progressive Labour Party Congress by party leader George Odlum; for Part 1, see JPRS-LAM-86-024 of 11 March 1986, pages 143-145; capitalized passages published in boldface]

[8 Feb 86 pp 6-7]

[Text] Today, four years later after the United Workers Party assumed office in 1982 it is ironical to hear the Prime Minister's New Year Message lamenting the fact that there is no COOPERATION for the Government and the State from the People of St. Lucia. He went to great lengths to indicate that St. Lucians refuse to support National Events unless they are well-paid to do so. He identified this as one of the fundamental problems affecting the economy and the development of St. Lucia.

Whatever magic the ruling Party worked in 1982 to be able to claim an electoral victory it is clear that they had NO PLAN for St. Lucia. No viable men to push the country ahead. No sustaining philosophy or ideology apart from empty phrases about FREE ENTERPRISE and DEMOCRACY. No populat support. No principles to contain corruption and mismanagement and this is why St. Lucians are now blighted with a Regime that is totally opportunistic and reckless in their self-indulgence.

The Progressive Labour Party's Programme was designed WITH THE PEOPLE and FOR THE PEOPLE. Our emphasis was on popular mobilisation to ensure that all developmental projects would enjoy the support and assistance of the People.

There are some who ridiculed our regular public meetings and our attempts to educate the people with a view to awakening national consciousness. There are others who sneered at our concept of Grassroots Democracy and the activation of the Village Councils to ensure island-wide participation. But in recent weeks the Government has initiated a Decentralisation Programme as a token gesture to mark the advent of a General Election. From time to time during the luckless tenure of office of the ruling Party there have been faint calls for a vestige of National Unity from the same men who decried the concept in 1982 when this Party strongly advocated the formation of a National Government as a prelude to the solution of some of our structural problems.

The Prime Minister's cry that the lack of public support is one of the most serious drawbacks in his Administration is more than eloquent testimony to the wisdom of the PLP's insistence on a broadly-based Government receiving wide public support from all sectors and parties in the community. This was true in 1982 as it is true today in 1986. The PLP was objective enough and honest enough to recognise it in 1982 but the UWP was too pre-occupied with the prospect of office to heed the warning. The reality of 1986 has forced the Prime Minister to admit that we were right all along.

But as in so many other social and political issues in St. Lucia the PLP has been objective and analytical and the UWP invariably comes around to admitting the accuracy of our statements. Those of you who listened to the Party Political Broadcasts prior to the 1982 Election will remember the two widely divergent views on President Reagan's Caribbean Basin Initiative held by the Leader of the UWP and my view expressed as Leader of the PLP. Mr. Compton saw the Caribbean Basin Initiative as "the greatest thing for the Caribbean since the Marshall Plan". Our view was not as effusive. We criticised the militaristic motive behind the CBI. We felt it was aimed more at El Salvador than the Caribbean.

We resented the fact that the aid package attempted to dictate a specific model of development for the Caribbean at a time when the people of the Caribbean were themselves searching for a model which would minimise exploitation and give them a chance at self-reliance and self-development. Finally we anticipated the fact that the CBI would provide very little in terms of assistance for the Caribbean. We begged to disagree with the naivete or the perversity of Mr. Compton. Today both the Prime Minister and his Deputy Mr. Mallet are loud in their condemnation of the effects of the CBI. Is it that they couldn't see before? Or they wouldn't see? Was their blind allegiance to Washington's hand-outs too strong to permit them to see the fortunes of their people in lucid terms?

Brothers and Sisters, you have seen at first hand the quality and style of our politics for more than a decade. You have noted our insistance on principle and integrity. You have observed over the years how we have resisted the blandishments of institutions and individuals whose intention was to subvert the power of the people. You have seen some of us operate in office. You have savoured the taste of our democracy. You have observed our sensitivity to the plight of the masses. You have monitored our struggles for a decent living wage for the oppressed sectors of the community. You have felt the elation and pride in our country when we represented you at the United Nations and in the highest forum of international discourse. You have heard us championing the cause of the Anti-Imperialist struggle. You recall the ringing tones in which we advocated the cause of small Mini-states and emphasised the importance of the concept of SOVEREIGNTY to such island-states. You have carefully followed our record in fighting CORRUPTION and the EROSION OF HUMAN RIGHTS for individuals irrespective of their status or calling. You saw for yourselves the battered and brutalised body of YAMALA and knew that his corpse was tongue-less to defend his rights and only the voice of the Progressives was left to trumpet out his cause.

You heard the pleas of David England and his family as they proclaimed their innocence; some of you watched the injustice unfold in silence and almost heard the deafening silence of our community as VICTIMISATION and CALLOUS VINDICTIVE ACTION expressed itself. It was the Progressives who stood as the lone voice--the still small voice--in our Community. Brothers and Sisters, St. Lucians know that there is a different road to follow. They have seen the quality of PLP Democracy and they know the JUSTICE and HUMANITY that is implicit in PLP's SOCIALISM.

Political Developments (1982-1986)

At our last Special Congress in Gros Islet we traced in detail for the benefit of our supporters the events leading up to the Red Hearts Election of 1982. We itemised the level of interference in that election by outside forces and we exhorted you as a Congress and as a Party to ORGANISE FOR LIBERATION. This was the theme of our last Special Congress--ORGANISE FOR LIBERATION. Unfortunately I must report with honesty to you that the level of organisation which we looked forward to achieving did not materialise in the course of the past three years. We were threatened and challenged by some subtle manoeuvres and had it not been for the firm ideological position of some of our Brothers and Sisters, the entire future of our Party could easily have been compromised and the people of St. Lucia would be without a buoyant hope of ridding themselves of Comptonism and the UWP Government.

Immediately after the 1982 General Election our Party set to work revising the Statement of Principles by elaborating on the Principles expressed and spelling out in greater detail the policy implications of some of the principles. We also embarked on the exercise of preparing educational material for use in our Cell Groups. It was felt that only by this slow process of education our supporters would be able to develop the consciousness which would offset the "chicken and rum" patronage politics of the UWP and the barrage of propaganda used against Progressive Groups in the Caribbean.

These study groups involved almost every single candidate who contested the elections except Richard Edwin of the Dennery North Constituency who is studying in Canada and due to return in March of this year. For a period of time PLP morale was very high despite the fact that the grim economic facts of surviving after a General Election without income were weighing heavily on the minds of all of us.

Of course it was clear to everyone with any knowledge of the ground politics of St. Lucia that PLP is a serious political force to be reckoned with even though the distortions and the manipulation of the last poll left the Party with only one seat in the House of Assembly. Those who have a vested interest in seeing that no serious People-oriented Government takes office in the Caribbean came to the firm conclusion that no effort must be spared to destroy the PLP as an organisation.

They had come to the conclusion after years of attrition and untiring effort to destroy and corrupt your Party Leader, that the Leader of the Progressive Labour Party was not a saleable commodity. He cannot be bought. He cannot be frightened. He cannot be wished away. He had become, given the limitations of mortal man, almost indestructible. In the esoteric vocabulary of Labour Party politics, he was CHOEUR CAMPECHE. With this realisation, the strategy they adopted was to isolate the Party Leader by subtly luring away all the top cadres of the Party. The techniques used were varied. They ranged from propaganda ploys about Communism, Cuba and Libya to luring away cadres with jobs, economic handouts, organising loans for candidates and sowing the seeds of confusion in the Party. The overall plan envisaged that these disaffected candidates would move into the chimerical group which describes itself as the St. Lucia Labour Party under a newly-installed Leader. In the straightened economic circumstances in which defeated political candidates find themselves in these small vicious and vindictive Caribbean societies such a strategy was found to make some impact.

By the turn of 1983 when the Party could muster no resources to sustain its cadres it became increasingly difficult to convene Executive Meetings and General Council Meetings. There was a high level of absenteeism and four consecutive Executive Meetings were cancelled for lack of a Quorum. This was certainly a new development in the political life of our Party. As Party Leader I had anticipated this development and promptly convened a Caucus of dedicated stalwarts from Cell groups in the different Constituencies. The terms of reference of this Party Leader's Caucus was to carry on the day-to-day conduct of Party business until the Executive and General Council started functioning again.

The Caucus did precisely that and we convened a series of Public Meetings on specific issues mainly to ensure that the Party's profile remained unaffected. We held some Demonstrations in the Valleys and an Unemployment March in Vieux Fort. We intensified our contact with Cell Groups simply to explain the strategy of the Party to them and to upkeep their morale during the period when it was obvious that a number of Candidates were absent from public functions of the Party

Brothers and Sisters, I must explain to you that the retreat of defeated candidates is a regular feature of Caribbean and St. Lucian politics given the victimisation in our societies and the inability of out-of-office politicians to find any form of gainful employment. But such was the impact of PLP that a different code of conduct is expected of PLPees. Our people consider them to have a tradition of HARDNESS and they look for commitment and dedication from them in all circumstances. This is a wonderful tribute to the image of the Progressive Labour Party--HEARTS ARE FOREVER.

In September 1984 a group of candidates wrote a letter to the Party Leader expressing concern about the way the Party was operating away from the main organs of the Party such as the Executive and the General Council. The group requested a meeting with the Party Leader to thrash out some of these problems.

The Party Leader promptly referred the letter to the Caucus and the Caucus recommended that the signatories to the letter should all be invited to attend an Executive Meeting or a full meeting of the General Council. The meetings were convened but only three or four of the signatories attended.

Nevertheless this had the effect of re-establishing the Executive and the General Council Meetings. The Executive itself endorsed the decision of the Caucus to conduct such consultation within the framework of the Party machinery. The upshot of all this is that there were persistent rumours that members of the PLP were about to move into the SLP camp. Those rumours were understandably encouraged by the SLP themselves in an effort to create confusion. But when we consider the make-up of a Progressive it is difficult to conceive of a strong PLP cadre moving into the unprincipled opportunism that characterises the new leadership of the SLP. Up to this moment, despite all the propaganda about isolating the PLP leadership, not one single PLP candidate has announced his intention to run for the SLP. When an interviewer confronted the Deputy Leader of the PLP a fortnight ago and asked him whether he had any association with the SLP he replied: "I have no association with the SLP. Someone from the SLP invited me to join them and I refused". Brothers and Sisters, once again we have to observe the peculiar quality of the PLPees. Despite all the victimisation and the economic hardship our PLP cadres have stood up firm and HARD. Neither the UWPees nor the SLPees would have resisted the bribery and the carrots so stoutly. I have gone through this episode in detail in a way that no Convention Address from the other two Parties would. This is because the Progressives must learn to face the realities whether they are palatable or not. We must face our setbacks as boldly as we embrace our triumphs. The other Parties in St. Lucia would pretend that all is rosy in the garden and there are no weeds clogging their path. This is not the Progressive Way.

[15 Feb 86 pp 6-7]

[Text] The Grenada Episode

Brothers and Sisters our Party had indicated to you that part of our Post-Election strategy was to keep a low profile, not appearing to obstruct any of the efforts of the Government to run the country in accordance with the model they embraced. Of course we had warned the electorate of all the dangers that lurked in the return to power of a Compton Administration. We had a supreme confidence in our analysis and we were sure that if they were left alone they would virtually fall on their own weight. I want to thank you the supporters of the PLP for the understanding way you responded to the strategy.

You have been bred on a Party tradition of regular Market Steps meetings, full exposure of issues and constant mobilisation for action. When you were faced with the merciless imposition of unfair taxes and burdensome Hospital fees you simply shrugged your shoulders and said: WE LIKE IT SO! When the UWPees themselves were bawling over unemployment and the hard economic situation, you grinned knowingly and said: WE LIKE IT SO! When the Public Servants couldn't get their salaries and the Government goes begging and borrowing every month to try to pay wages, you only said: WE LIKE IT SO. When the U.S. troops moved in to militarise our country and to train our Policemen as killers you calmly remarked: WE LIKE IT SO.

This is the high level of maturity and political consciousness brought about by your faithful attendance at political meetings, caucuses and Cell Groups.

But during this time when the low-profile strategy was being employed a traumatic event took place in the Caribbean: The murder of Maurice Bishop and the subsequent Invasion of Grenada by the United States assisted by some Caribbean policemen. As shocking and stunning as these events were you will recall that our Special Congress in Gros Islet in October 1982 I had warned of certain developments in the political life of these islands. I told you to beware of certain small groups that were mouthing Marxist slogans that they did not fully understand. I even went on later to lecture to you in Cell Groups on Marxism and its relevance to our Class problems and other economic and philosophical problems. This is because I foresaw the dilemma that our brothers would be faced with if they got caught in the trap of manipulating power through small groups instead of rooting their power in the wishes of the masses of the people. Certain groups here took umbrage at these observations and attacked me roundly for them. But the tragic events in Grenada underscored the relevance of these remarks.

Brothers and Sisters I want [illegible] to exult in the knowledge that our Party--the Progressive Labour Party of St. Lucia--was one of the very few Parties in the Caribbean which stood up on [illegible] principles all during this trying and exasperating episode. We enunciated every principle which flew in the face of the Yankee Invasion. We denounced the murderers of Comrade Maurice Bishop in no uncertain terms. We denounced the Leaders of the Caribbean like the late Tom Adams, John Compton of St. Lucia and Eugenia Charles of Dominica for their complicity in sacrificing our Sovereignty for a doubtful mess of CBI pottage. We broke our silence in order to mount a Rally on the Market Steps to explain the events of Grenada to the people of St. Lucia so that the full weight of US-organised propaganda would not blur their vision. It is extremely important for you to appreciate the sharp difference between the Parties in the way they react to important issues of the day. The PLP never flinches from facing the issues and reasoning with the people in order to arrive at a firm position. We never hide or take refuge in silence as some other Parties did on the Grenada issue. This is the Progressive Way.

After the demise of the Bishop Regime our Party felt that it was of crucial importance for St. Lucia to fill the gap which was left in maintaining a firm link with the Socialist International Movement especially with the Latin American and Caribbean group in the Movement. We also felt it important to strengthen our links with the European members of the Socialist International. The PLP has been present at some of the Bureau Meetings of the Socialist International and has participated in the activities of the Latin American and Caribbean Committee in the movement.

At the last Bureau Meeting of the Socialist International in Vienna on October 15th-17th 1985 the Report of the Socialist International Committee on Economic Policy was formally presented by Michael Manley of Jamaica on behalf of President Willy Brandt. The Report is of importance to Social Democratic and Labour Parties in that it marks important new ground in the thinking of the democratic Left in response to the crisis of the Eighties.

It also represents a strong challenge to the failures of the New Right. The Report is contained in a booklet entitled GLOBAL CHALLENGE.

For the purposes of the PLP we do not see this Report as a blueprint for the solution of our internal national problems. Clearly we ourselves must find such solutions in accordance with the internal dynamics and the objective conditions in our country but the Report deals with the reform of International institutions together with types of governmental action which can be undertaken by like-minded Governments cooperating internationally.

For the general information of the Congress and for the benefit of those who have not yet read the Report I will briefly outline the main Conclusions and Recommendations of the Report:

(1) There must be a multilateral solution to the North-South stalemate, but to achieve it we need to recognize the veto on global development imposed by some of the developed countries. We challenge the domination of the world economy by a handful of giant transnational corporations.

(2) Changes in the structure and management of the world economy, which have been called the New International Economic Order, NIEO, must be progressively implemented if there is to be any real prospect of self-sustaining global development. The South has a responsibility to focus on the creation of new capacity for production and a strengthening of patterns of trade through South-South cooperation.

(3) The indications of an interest in dialogue on the world economic system by Eastern Europe with the West and the possibility of introducing the North-South Agenda into that dialogue has major implications for the global economy.

(4) Conservative and monetarist policies, not least those imposed by the IMF, have now imposed major deflation on the world economy and contributed to global slump.

(5) The mutual interests of the peoples of both North and South in disarmament at present are blocked by global militarism. We recognize the rights of sovereign states to self-defence, but deplore a world arms budget which is over a third of the GDP of Third World countries--for ten percent of what the world now spends on arms each year, we could begin a process of world recovery and achieve a decade of new development for North and South alike.

(6) This implies major changes in the current policy approach and reform of international institutions, as well as a realignment of the global development agenda. Until the North begins the process of resolving its own crisis, there are only limited prospects for development of the South. But so long as multilateral solutions are blocked by individual powers or superpowers, like-minded countries in both North and South should work together and, through their regional institutions, pioneer joint recovery programmes.

As I mentioned earlier these recommendations are global and institutional nevertheless they have a bearing on our own local and internal situation.

It must not escape your notice that even at that level the emphasis is on INTERDEPENDENCE, COOPERATION, DIALOGUE, REALIGNMENT, LIKE-MINDED COLLABORATION, JOINT ACTION AND UNITY! Let those Architects of Division and Self-Promoting Anarchists who are scheming to divide the people of St. Lucia in order to let the Forces of Reaction and Exploitation continue their wickedness, let them see that at the highest levels of international relations JOINT ACTION and UNITY in the common cause is the right Progressive path to follow.

Political and Moral Decline

Brothers and Sisters, in some ways it is easier to understand the economic decline of St. Lucia than it is to fully appreciate the havoc which the Government has wreaked on our politics, our political institutions, our national pride, our moral values and our self-consciousness as a people. I wish to bring a very simple and commonplace example to you of the dramatic decline in our self-esteem as a people. Everywhere on our roads today it has become hard to find fares to pay transport so hitch-hiking or getting lifts has become a dire necessity. Our youth in their resilience devise techniques for asking for free-rides. The most common technique now is to call-out to the driver of the vehicle "BOSS-MAN BOSS-MAN GIVE ME A LIFT. One cannot help but reflect that a few years ago the Youth of St. Lucia would take a firm stand on calling anyone BOSS-MAN. He would see this as a compromise of his manhood and as a relic of the days of slavery. Today such sensitivities are no more. If the driver's susceptibility to flattery will result in a free ride then this is in itself a justification of the sentiment. The sense of history has disappeared. The fierce sense of dignity and personal pride is gone and it is replaced by the cheap tactic of the hustler or the Con-Man.

As simplistic as this example might sound it is indicative of a marked deterioration in the quality of life at all levels. The Ministers of Government have themselves expressed their concern about this deterioration but they have failed to admit to their part in bringing about the collapse of our value-system. Perhaps they have never paused to see the world through the forlorn lenses of a St. Lucian youth, unemployed, half-educated, with sick and penniless parents, pregnant and unemployed wife or girlfriend and no immediate prospect of earning legitimately in his country of birth. It might be alarming to many people that almost HALF of the youth of St. Lucia find themselves in a predicament similar to the one I have just described. Some have already complicated their problems with an addition or regular use of drugs and/or alcohol.

Our Youth see the society, not through the rose-tinted spectacles of our Prime Minister who tells us that banana production has increased, tourism arrivals have increased therefore everything is rosy in the Garden. Our Youth are the ones sitting on the bottom-line of survival in this society. They are the ones who know how rosy the stench of the ghetto is! They are the ones grubbing for pennies to keep body and soul together! They are the ones waiting endlessly for work at Hess! They are the ones shut out by Club Mediterranean in their own country! They are the ones being hunted down for smoking marijuana! They are the ones being jailed for petty crime while the big-shot crooks go scot-free! They are the ones who were banned from marching! They are the ones who were banned from wearing greens! They are the ones who lived through YAMAHA and COPRAGATE and saw the quality of Justice in this country.

Brothers and Sisters let us dwell a bit on the impact of these two episodes on the mind of a young man reaching out for some standard of behaviour, some hint of fairness, some code of ethics, some sense of decency as to what is right and what is wrong.

In the Yamaha case the Police lied to the public by claiming that a suspect who was in their custody for questioning in connection with a murder had jumped over a cliff to his death, when the death certificate and pictures of the brutalised body revealed otherwise. The PLP member of the House of Assembly put an oral question to the Prime Minister asking whether the Prime Minister would consider appointing an Independent Commission of Enquiry into the Police in view of the fact that the Police account of the death differed sharply from the cause of death stated in the official death certificate.

The Prime Minister's reply was made at a House of Assembly Meeting on 29th January 1985 on the very day that the Coroner's Inquest had started on the death of Ralph Daniel, in connection with whose murder the Police questioned Fontenard. Instead of specifically replying to the question about an Investigation the Prime Minister abused the privilege of the House to make a series of dangerous and irregular statements about the case. He made the alarming and mischievous statement that "All available evidence of this brutal and dastardly act points to Fontenard as the Culprit". He later repeated the statement at a Public Meeting on the Boulevard while the Inquest was in process. Predictably the verdict of the Coroner's Inquest reflected exactly the position taken by the Prime Minister despite the force of the medical evidence to the contrary. But this was not surprising since the Police hand-picked a jury with strong political bias to effect the cover-up.

(To be continued next week)

/6091
CSO: 3298/353

ST LUCIA

BRIEFS

NEW PLP EXECUTIVE--The New Executive: Party Leader: George Odlum; Deputy Party Leader: Antonius Gibson; Party Chairman: Jon Odlum; Deputy Party Chairman: Harold Nicholas; Party Treasurer: Wilcina Haynes; General Secretary: Leo Clarke. [Text] [Castries CRUSADER in English 25 Jan 86 p 1] /6091

POPE'S VISIT--Castries, Feb 27, CANA--Pope John Paul will visit St Lucia on July 7, the Roman Catholic Church here announced today. Confirmation of the trip was contained in a letter presented to Prime Minister John Compton this week by Monteiro de Castro, archbishop of Benevento and apostolic pronuncio based in Port of Spain. The Polish-born Pope was invited to visit here several months ago. Church and government officials, confident that he would have accepted, had already started planning for the occasion. Last year, St Lucia, which has a population that is reported to be 85 per cent Roman Catholic, established diplomatic relations with the Vatican. The Pope was last in Caribbean last February, when he paid a brief visit to Trinidad and Tobago at the end of a Latin American tour. It was not immediately known whether he will visit nearby states. [Text] [Bridgetown CANA in English 1706 GMT 27 Feb 86 FL] /6091

CSO: 3298/364

ST VINCENT AND THE GRENADINES

BRIEFS

GRENADINES YOUTH ACTIVITIES--The President of the St Vincent and the Grenadines National Youth Council (NYC) Arthur Bobb says that an NYC's delegation will visit the Grenadines, from February this year. He said the delegation will examine what can be done to increase the level of communication with the NYC's servicing of the islands. There are youth organisations in the Grenadines, affiliated to the NYC, and who have received little recognition from the council last year. The NYC President admits that "the Grenadines have been neglected" by the NYC and many other sporting and cultural organisations in St Vincent. He stressed that the problem was communication. Bob noted, that it was important that the people of the Grenadines didn't think that the NYC is "segregating and discriminating" in the work it is doing. He said there are some handicap facing the NYC, including limited finance. [Text] [Kingstown THE VINCENTIAN in English 24 Jan 86 p 6] /9274

CSO: 3298/359

TRINIDAD AND TOBAGO

NAR, LEADERS DISCUSS NEW PARTY, ELECTIONS, PROSPECTS

Robinson Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 24 Feb 86 p 1

[Article by John Babb]

[Text] Active opposition politics in Trinidad and Tobago yesterday formalised itself into a single unit--the National Alliance for Reconstruction (NAR).

By 2.20 p.m., when the National Alliance of the United Labour Front, (ULF), Democratic Action Congress (DAC), and Tapia, and the Organisation for National Reconstruction (ONR), were no more, the overflowing audience applauded as they sang Auld Lang Syne.

The atmosphere at the Seamen and Waterfront Workers Trade Union Hall (SWWTU) on Wrightson Road, Port-of-Spain, was one full of emotions. The capacity audience of delegates and observers applauded almost everything said or done by the NAR political hierarchy.

Lloyd Best, formerly of Tapia, received a welcome home reception he will not forget for a long time.

Much public tribute and praise were showered on Karl Hudson-Phillips, formerly of the ONR, and Basdeo Panday, formerly of the ULF, who each received vociferous and long-standing ovations. They are both Deputy Political Leaders of the NAR.

But it was the NAR Political Leader, A. N. R. Robinson, who put the icing on the cake with an off-the-cuff address that reflected the atmosphere of the conference.

And in a no-nonsense speech "ANR" told NAR like it is.

Need for Discipline

He emphasised the need for discipline "from the top to the bottom".

The Political Leader called for strict adherence to the party's Code of Ethics, and warned that those who fell out of line could draw the full wrath of the National Executive and/or special conference of delegates.

Mr. Robinson told ofhaving received complaints about the conduct of some members in the Local Government bodies, but said he had refrained from taking drastic action.

He felt that the code of conduct must first be established and approved. Now that this has been done, he said he expected everyone to observe the code.

In an apparent preface to the forthcoming election campaign, Mr. Robinson warned NAR members and supporters: "It is not going to be easy pickings."

In his inimitable convincing style and delivery Mr. Robinson declared: "Let me warn you, election year is one in which the PNM is always prepared to sell half of the country in order to keep the other half.

"I say these things," he added, "merely to drive home to you how serious is the struggle that we face; how desperate is the opposition against us, and how drastic is the situation we will meet when we have the offer to form the Government of Trinidad and Tobago."

But it is our country to which we must be totally and completely committed," declared Mr. Robinson.

"I myself do not shrink from the task, and I hope you feel that you are up to the challenge, and you will not hesitate to tackle the task which will confront us as we enter the Government and proceed to the reconstruction of Trinidad and Tobago," he added.

Feeling of Confidence

"We will have to do it in the economic field, the social field, in the field of organisation of the Government, and the building of political institutions which will give every ordinary man and woman in the community a greater say in the conduct of Government.

"Let us get rid of this over-centralisation that has dogged this country for years. We have to inject a feeling of confidence in the nation, and a conviction that self-reliance is the way to progress," he said.

Mr. Robinson reminded the NAR members: "It is you who had made the call for unity; it is you who now have a chance to proceed in unity." As a result, he urged that they begin organising at the grassroots in their communities.

After explaining why he believed that the next General Election would be held shortly, Mr. Robinson, emphasised to members the need to be ready.

Mr Robinson's speech was punctuated with much applause, especially when he fired the imagination of members that the election may be around the corner.

But Mr Robinson kept waving his warning signals. "It will get hot, hotter, and hotter, and hotter as time goes on in the next three to four months. I am told it could even be as early as April, 1986, so we must be ready," he declared.

The day's programme ended shortly after Mr. Robinson concluded his speech. And like their leader, delegates left convinced that yesterday had been a great day in the history of Trinidad and Tobago, and in the history of the Caribbean as a whole. Moreover, it had been "a great day for opposition politics."

Election Speculation

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 3

[Text]

POLITICAL Leader of the National Alliance for Reconstruction (NAR), A.N.R. Robinson, thinks that "the great battle — a general election — may be on us at any time."

And why does he think so? On Sunday when he gave his reasons to an overflowing audience of NAR members and supporters at the Seamen and Waterfront Workers' Trade Union Hall on Wrightson Road, he told them: In August local government elections are due. Also, this year, a general election is due in November. Let no one fool you. A general election is due in November, 1986."

"The situation," he explained, "is, that the Constitution provides for a grace period. And when the Constitution provides a grace period, what it means is, that the grace period may be necessary only in exceptional circumstances. But Prime Minister will not observe this spirit of the Constitution. So that grace period would carry us to February, 1987," Mr. Robinson added.

Then the NAR Leader asked: "Are you going to allow Mr. Chambers to postpone Local Government elections?"

He said: "I don't think he would want to give up without a fight. If he postpones, it means he is afraid of an election. But will he proclaim to the world that he is afraid? We know he is afraid," he added.

According to Mr. Robinson, the Government was in such a situation last year when it could not make its ends meet. There was a gap of $1.5 billion, and they were facing a gap in 1986 of about $2.6 billion, hence the devaluation. The Government was forced to devalue. It had got itself in a situation where it had no choice but to devalue, because a Government does not devalue just before a general election. And since devaluation we are threatened with storm warnings on the international horizon over our major resource — oil.

Waste Of Resources

"Here we are in 1986, 24 years after achieving Independence, we are more dependent on oil than we were when we achieved Independence in 1962. And that is principally due to the wrong-headed approach of the Government to industrial development and its extravagant waste of the resources.

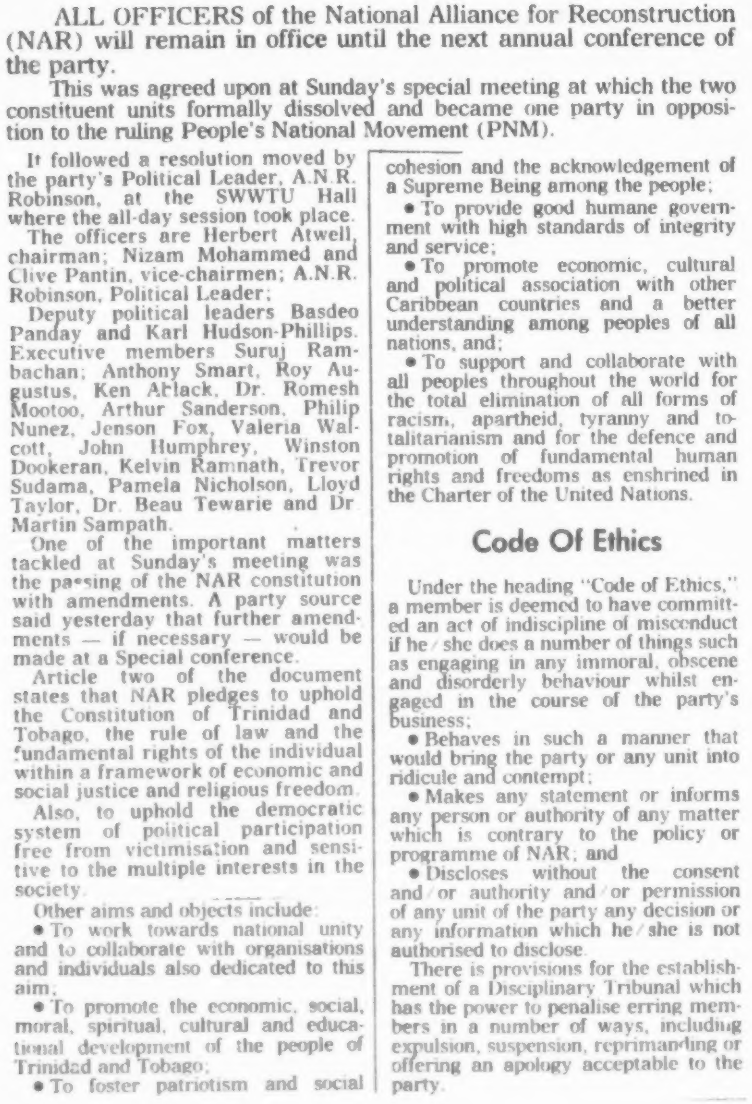
"In 1981, the year of the last general election, the Government increased recurrent expenditure by almost 70 per cent — by over $2 billion. So our savings were wiped out by the stroke of a pen, and what was our long-term savings were wiped out in a matter of two to three years in order to satisfy the insatiable desire of power politics of the PNM. So if they did that in 1981, do not under-rate what they will do in 1986.

"It is my duty to warn you that no matter how much the climate of the country is for a change, it will not be easy pickings, so gear yourselves for the task," he added.

Stand on Social Justice

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 12

[Text]



ALL OFFICERS of the National Alliance for Reconstruction (NAR) will remain in office until the next annual conference of the party.

This was agreed upon at Sunday's special meeting at which the two constituent units formally dissolved and became one party in opposition to the ruling People's National Movement (PNM).

It followed a resolution moved by the party's Political Leader, A.N.R. Robinson, at the SWWTU Hall where the all-day session took place.

The officers are Herbert Atwell, chairman; Nizam Mohammed and Clive Pantin, vice-chairmen; A.N.R. Robinson, Political Leader;

Deputy political leaders Basdeo Panday and Karl Hudson-Phillips. Executive members Suruj Rambachan; Anthony Smart, Roy Augustus, Ken Ablack, Dr. Romesh Mootoo, Arthur Sanderson, Philip Nunez, Jenson Fox, Valeria Walcott, John Humphrey, Winston Dookeran, Kelvin Ramnath, Trevor Sudama, Pamela Nicholson, Lloyd Taylor, Dr. Beau Tewarie and Dr Martin Sampath.

One of the important matters tackled at Sunday's meeting was the passing of the NAR constitution with amendments. A party source said yesterday that further amendments — if necessary — would be made at a Special conference.

Article two of the document states that NAR pledges to uphold the Constitution of Trinidad and Tobago, the rule of law and the fundamental rights of the individual within a framework of economic and social justice and religious freedom.

Also, to uphold the democratic system of political participation free from victimisation and sensitive to the multiple interests in the society.

Other aims and objects include:

- To work towards national unity and to collaborate with organisations and individuals also dedicated to this aim;
- To promote the economic, social, moral, spiritual, cultural and educational development of the people of Trinidad and Tobago;
- To foster patriotism and social cohesion and the acknowledgement of a Supreme Being among the people;
- To provide good humane government with high standards of integrity and service;
- To promote economic, cultural and political association with other Caribbean countries and a better understanding among peoples of all nations, and;
- To support and collaborate with all peoples throughout the world for the total elimination of all forms of racism, apartheid, tyranny and totalitarianism and for the defence and promotion of fundamental human rights and freedoms as enshrined in the Charter of the United Nations.

Code Of Ethics

Under the heading "Code of Ethics," a member is deemed to have committed an act of indiscipline of misconduct if he/she does a number of things such as engaging in any immoral, obscene and disorderly behaviour whilst engaged in the course of the party's business;

- Behaves in such a manner that would bring the party or any unit into ridicule and contempt;
- Makes any statement or informs any person or authority of any matter which is contrary to the policy or programme of NAR; and
- Discloses without the consent and/or authority and/or permission of any unit of the party any decision or any information which he/she is not authorised to disclose.

There is provisions for the establishment of a Disciplinary Tribunal which has the power to penalise erring members in a number of ways, including expulsion, suspension, reprimanding or offering an apology acceptable to the party.

Election Prospects

Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 86 p 1

[Text]

AN OPPOSITION National Alliance for Reconstruction (NAR) Senator has given a cautious welcome to a poll — still to be officially released — which shows that the ruling People's National Movement (PNM) would lose the next general election to the NAR.

Senator Dr. Sahadeo Basdeo, a University of the West Indies lecturer, said yesterday that while he was generally suspicious about polls, he knew that the people of the country were also disenchanted with the present government.

He added:

"The fact that this disenchantment is more than ever more pronounced at this time means one must take the conclusions in a more serious way and be heartened by the results.

"However," he said, "it would be folly for the right thinking citizens who see a change of government as the first step in correcting the many ills in the country to be lulled into a sense of complacency.

The Opposition needs to continue its hard work to ensure that the will of the people is realised on election day, whenever that time comes."

Senator Basdeo also warned citizens to look out "for a massive public relations campaign to be carried out by Government because the ruling PNM knew that its political stocks were low.

"This is easily gauged by the pending visit to factories by Prime Minister George Chambers. Is he saying that Industry and Commerce Minister Wendell Mottley cannot supply him with whatever information he needs from this sector?

"See what I mean.. a public relations blitz by the ruling party," the Opposition Senator noted.

/9274
CSO: 3298/360

TRINIDAD AND TOBAGO

REPORTAGE ON JAMAICAN PRIME MINISTER'S VISIT

Seaga Speech to Jaycees

Port-of-Spain TRINIDAD GUARDIAN in English 3 Mar 86 p 1

[Text]

JAMAICAN Prime Minister Edward Seaga sees a new trade mechanism which promises to afford Caribbean manufacturers increased access to the Canadian market.

The new mechanism, he told West Indian Jaycees on Saturday night at the Holiday Inn, is currently before Caribbean governments as a basis for discussions and negotiations.

It is quite likely that this is one of the topics which the Jamaican Prime Minister will discuss when he holds two hours of talks at Whitehall with Trinidad and Tobago Prime Minister George Chambers today.

By pursuing a foreign policy based firmly on a balanced mix of the region's natural, political, ethnic, economic and trading considerations, he told his audience, the efforts of the region's governments had borne fruit at the regional level in the creation of the Caribbean Basin Initiative (CBI).

The CBI, he pointed out, was further recently expanded at the recent Grenada meeting with U S President Ronald Reagan.

When he visited Grenada last month, President Reagan announced a special programme to benefit Caribbean garment manufacturers in the US market. Caribbean-produced clothing made from cloth woven and cut in the US would have guaranteed access to the US market, Mr. Reagan assured.

The US President said it was good for the US textile industry, and meant jobs for the Caribbean people.

Mr. Seaga on Saturday night also told of efforts that recently resulted in positive results in the development of CaribCan with Grenada.

Like in the case of the CBI, Mr. Seaga said the new mechanism currently being discussed would provide increased access for Caribbean goods to the Canadian market.

Mr. Seaga spoke on the theme — "Of Freedoms and Democracies." In doing so, he noted that notwithstanding the variety of ethnic origins, language groups, different cultural traditions and disparities in income, there was a pattern of precept and practice which could fairly be termed a Caribbean political tradition.

The dominant and enviable characteristic of this Caribbean tradition was a firmly entrenched tradition of parliamentary democracy, featuring regular elections, "which has created the largest concentration of stable functioning democracies in the entire world, several of them with a history of many decades of flawless performance," he added.

He asked: "Where else in the world does there exist an aggregate of 29 functioning democracies among 32 political entities, half of them sovereign nations?

Enviable Perception

"No other geographical area can make this boast, not in Africa, nor Asia, nor Latin America, nor indeed, even in Europe and North America," he added.

He told West Indian Jaycees it was important that one recognise that despite many pressing issues at national and regional levels, "we have earned for ourselves the enviable perception in the eyes of the international community of being a zone of moderation."

According to Mr. Seaga, "this image is one of the most precious resources which we can share today."

Such a perception, he added, enabled the Caribbean to look outwards, assured of more positive responses in terms of stability, trade and economic linkages, investment flows and much-needed technical assistance," to achieve and sustain an acceptable rate of economic growth and improved living standards.

The Jamaican Prime Minister urged that the foreign policy of countries in the region must continue to be mix and a blend which served all their interests.

In his speech Mr. Seaga referred to the action taken by Caribbean countries to wipe out Marxism in Grenada. He said this action changed the region's international image from negative to positive.

Mr. Seaga expressed the conviction that his visit to Trinidad and Tobago will "strengthen the fraternal relationships between the two governments and allow us to get along better and solve problems more easily because we would know each other more intimately."

Seaga-Chambers Meeting

Port-of-Spain TRINIDAD GUARDIAN in English 4 Mar 86 p 1

[Article by Norris Solomon]

[Text] Trinidad and Tobago is leading the entire Caricom region in providing facilities and services for its people, Jamaica's Prime Minister Edward Seaga said yesterday.

Speaking before formal discussions at Whitehall with Prime Minister George Chambers of Trinidad and Tobago, Mr Seaga drew attention to landmarks scheduled for him to visit. They included the prestigious multi-million dollar Mount Hope Medical Complex, Financial Complex, Hall of Justice, Point Lisas Industrial Estate and the Neal and Massy auto assembly plant.

He said: "I look forward to seeing these physical landmarks, because I hope that one day we too shall be able to generate those surpluses that are necessary for us to provide our own people with the kind of facilities and services which you are leading the entire region in providing for the people of Trinidad and Tobago.

The Jamaican Prime Minister felt Caricom was not an arena for earning foreign exchange but for exporters to cut their teeth in gaining experience to enter international markets where foreign exchange can be gained. That, he said, was the real world of Third World competition.

Caricom, he said, could do great things like providing work, and he hoped that during his talks with Mr Chambers they could achieve "zero licensing EC-0's" to make trade truly free in the spirit of Caricom.

Earlier, Mr Chambers said that while large markets in third countries were important, regional trade was of much more significance to both Jamaica and Trinidad and Tobago.

When Mr Seaga went to Whitehall for talks with the Trinidad and Tobago Prime Minister, Mr Chambers welcomed him saying:

"In the past we worked closely together with others in forging a common Caribbean position for negotiation of the Lome Convention, an approach which allowed us to gain concessions which none of us individually would have been able to secure. I am sure there is much we can learn from that effort to enable not only our two countries but also the entire region to extract greater benefits from the Caribbean Basin Initiative and the CaribCan agreement in years ahead."

Mr Chambers noted that in the last quarter of 1985 there was substantial increase in the value of licences and foreign exchange approvals in respect of the importation of goods for Jamaica.

He said he was heartened to learn that Jamaica was making every effort to ensure smooth implementation of "our bilateral Trade Agreement as well as our understanding in respect of the servicing of the debt owed to Trinidad and Tobago."

Yesterday was the third day of Mr Seaga's visit.

Important Meeting

Mr Seaga agreed with Mr Chambers that the meeting was of great importance.

He said: "I would like to put it in mathematical formula following in the words of your illustrious predecessor, the late Dr Eric Williams, when Jamaica withdrew from the Federation many years ago.

"He summed it up in a phrase which has lived in history and which has been significantly logic as 'one from ten leaves zero.'

"In respect of Caricom, I say two from ten equals zero, because we are the two largest market places of Caricom, and if we do not provide market places for each other then we cannot provide markets for the rest, nor can the rest of the countries which constitute Caricom expect to be markets for us.

Mr Seaga added: "To me Caricom is an arrangement which has many facets, but we tend to overlook the fact that basically speaking Caricom is not an arena for earning foreign exchange.

"It is an arena in which our exporters can cut their teeth in terms of gaining the experience that is necessary before they enter the real world where foreign exchange can be gained. The real world of Third World competition.

Caricom, Mr Seaga said, more than anything else, was "an opportunity for us to give work to our people.

"If we did nothing more than trade equally between ourselves and thereby earn no foreign exchange in terms of the net balance we would serve to give more work to the people of Trinidad and the people of Jamaica."

He said he had looked at the statistics over the last five years and noted that the balances had swung from one side to the other, which if they were totalled over the period, would cancel each other out.

Sitting in with Mr Chambers yesterday at the discussions were Errol Mahabir, Minister of External Affairs, Ronald Williams, Minister of State Enterprises, Senator Wendell Mottley, Minister of Industry, Commerce and Consumer Affairs, Senator Anthony Jacelon, Minister in the Ministry of Finance, and Knowlson Gift, Trinidad and Tobago's High Commissioner to Jamaica.

With Mr Seaga were E. Frank Francis, Minister of Foreign Affairs; Donald Bryce, Permanent Secretary in the Office of the Prime Minister; Derrick Smith, Member of Parliament; Senator Olivia Grange, Parliamentary Secretary in the Office of the Prime Minister; Reginald Phillip and Ellen Bogle, Jamaican High Commissioner to Trinidad and Tobago.

Later in the day Mr Seaga met Opposition Leader Basdeo Panday at the Trinidad Hilton for a 45-minute session during which both men compared political institutions of both countries.

Mr Panday, who said Mr Seaga viewed the National Alliance for Reconstruction (NAR) as a good step towards entrenching the two-party system and thereby strengthening the democratic process, added:

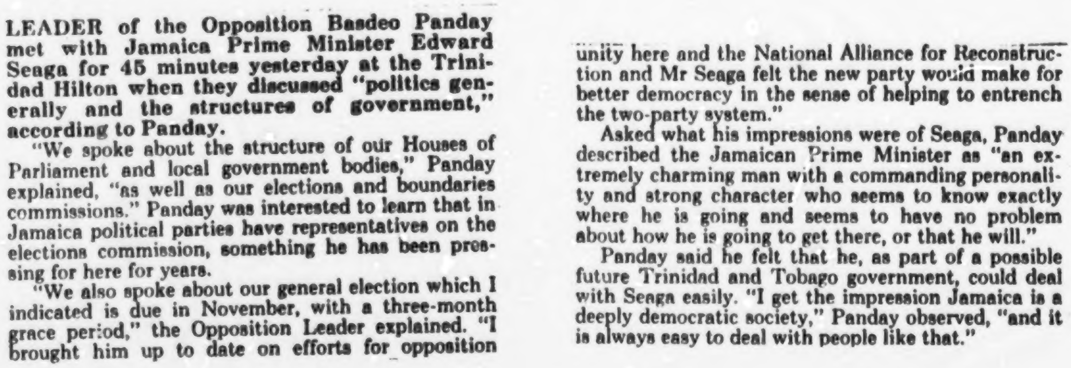
"I found Mr Seaga to be a very charming person who knows what he wants, how to get there and certainly has a very commanding personality."

Seaga-Panday Meeting

Port-of-Spain EXPRESS in English 4 Mar 86 p 1

[Article by Anthony Milne]

[Text]



LEADER of the Opposition Basdeo Panday met with Jamaica Prime Minister Edward Seaga for 45 minutes yesterday at the Trinidad Hilton when they discussed "politics generally and the structures of government," according to Panday.

"We spoke about the structure of our Houses of Parliament and local government bodies," Panday explained, "as well as our elections and boundaries commissions." Panday was interested to learn that in Jamaica political parties have representatives on the elections commission, something he has been pressing for here for years.

"We also spoke about our general election which I indicated is due in November, with a three-month grace period," the Opposition Leader explained. "I brought him up to date on efforts for opposition unity here and the National Alliance for Reconstruction and Mr Seaga felt the new party would make for better democracy in the sense of helping to entrench the two-party system."

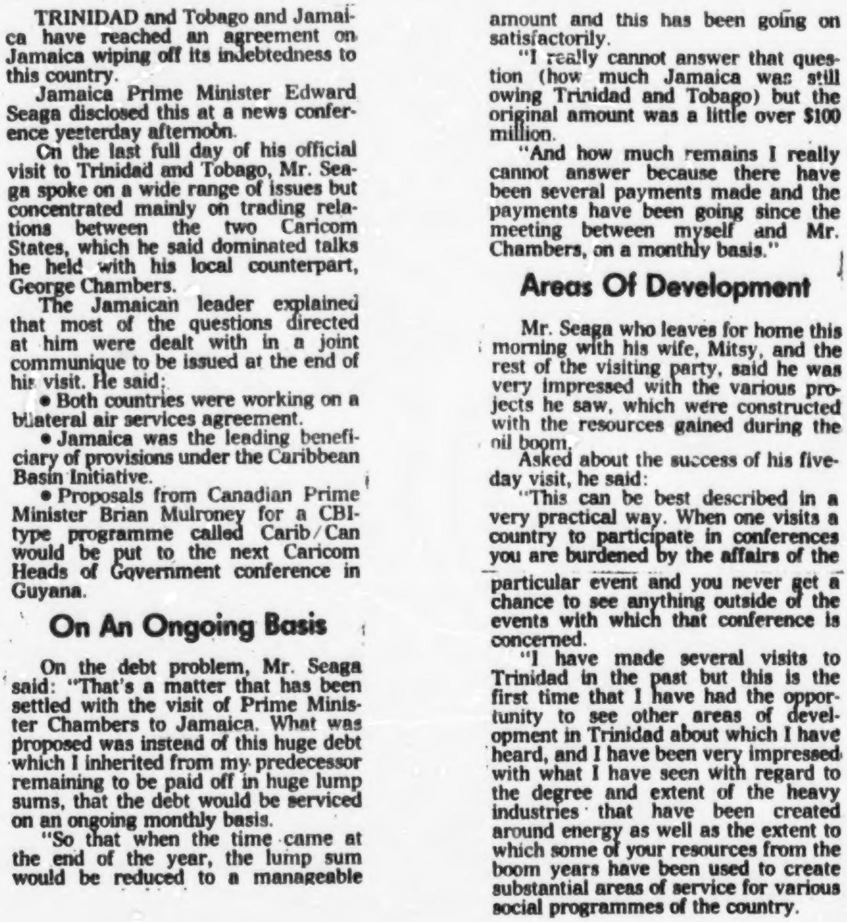
Asked what his impressions were of Seaga, Panday described the Jamaican Prime Minister as "an extremely charming man with a commanding personality and strong character who seems to know exactly where he is going and seems to have no problem about how he is going to get there, or that he will."

Panday said he felt that he, as part of a possible future Trinidad and Tobago government, could deal with Seaga easily. "I get the impression Jamaica is a deeply democratic society," Panday observed, "and it is always easy to deal with people like that."

Seaga Press Conference

Port-of-Spain TRINIDAD GUARDIAN in English 5 Mar 86 p 1

[Text]



TRINIDAD and Tobago and Jamaica have reached an agreement on Jamaica wiping off its indebtedness to this country.

Jamaica Prime Minister Edward Seaga disclosed this at a news conference yesterday afternoon.

On the last full day of his official visit to Trinidad and Tobago, Mr. Seaga spoke on a wide range of issues but concentrated mainly on trading relations between the two Caricom States, which he said dominated talks he held with his local counterpart, George Chambers.

The Jamaican leader explained that most of the questions directed at him were dealt with in a joint communique to be issued at the end of his visit. He said:

- Both countries were working on a bilateral air services agreement.
- Jamaica was the leading beneficiary of provisions under the Caribbean Basin Initiative.
- Proposals from Canadian Prime Minister Brian Mulroney for a CBI-type programme called Carib/Can would be put to the next Caricom Heads of Government conference in Guyana.

On An Ongoing Basis

On the debt problem, Mr. Seaga said: "That's a matter that has been settled with the visit of Prime Minister Chambers to Jamaica. What was proposed was instead of this huge debt which I inherited from my predecessor remaining to be paid off in huge lump sums, that the debt would be serviced on an ongoing monthly basis.

"So that when the time came at the end of the year, the lump sum would be reduced to a manageable amount and this has been going on satisfactorily.

"I really cannot answer that question (how much Jamaica was still owing Trinidad and Tobago) but the original amount was a little over $100 million.

"And how much remains I really cannot answer because there have been several payments made and the payments have been going since the meeting between myself and Mr. Chambers, on a monthly basis."

Areas Of Development

Mr. Seaga who leaves for home this morning with his wife, Mitsy, and the rest of the visiting party, said he was very impressed with the various projects he saw, which were constructed with the resources gained during the oil boom.

Asked about the success of his five-day visit, he said:

"This can be best described in a very practical way. When one visits a country to participate in conferences you are burdened by the affairs of the particular event and you never get a chance to see anything outside of the events with which that conference is concerned.

"I have made several visits to Trinidad in the past but this is the first time that I have had the opportunity to see other areas of development in Trinidad about which I have heard, and I have been very impressed with what I have seen with regard to the degree and extent of the heavy industries that have been created around energy as well as the extent to which some of your resources from the boom years have been used to create substantial areas of service for various social programmes of the country.

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CSO: 3298/365

TRINIDAD AND TOBAGO

UNION SHUTDOWN COSTS CARONI, CANE FARMERS MILLIONS

Port-of-Spain EXPRESS in English 26 Feb 86 p 56

[Article by Harry Partap]

[Text]

THE SHUTDOWN of the sugar industry last weekend has cost state-owned Caroni Ltd and the 7,000 cane farmers a total of $1.75 million.

If the weekend action of sugar workers continues for the rest of the 1986 sugar crop, the industry will lose a total of $25.1 million. Of this figure cane farmers will be poorer by $8.1 million.

Yesterday, Caroni's Public Relations Manager Tony Deyal said that the weekend action of the workers represented by All Trinidad Sugar and General Workers Trade Union (ATSGWTU) resulted in a shortfall of 11,825 tonnes of canes to the factories. He said that 13,600 tonnes of cane were targeted for delivery to the factories. Of this, 6,600 were expected from cane farmers. The farmers were able to sell only 1,775 tonnes.

The 4,825-tonne shortfall of farmers' canes this weekend had cost them $500,000. It was explained that in the production week which started on Saturday, only 13,018 tonnes of canes were ground compared to the targeted schedule of 25,200 tonnes. To date the company has produced 30,769 tonnes of sugar from 406,817 tonnes of canes. This represented a shortfall of 3,133 tonnes of sugar and 39,483.

Deyal said that due to the shortfall, both the Brechin Castle and Usine Ste Madeleine factories had to be shut down. The factories resumed operations at 7 a.m. Monday. This resulted in 8,874 tonnes of cutter-bundler canes being left in the fields since the FLT operators did not turn out to work.

He said during this period 8,000 tonnes of canes were burnt added to 17,972 tonnes already in the company's hands.

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CSO: 3298/360

TRINIDAD AND TOBAGO

OFFICIAL DISCOUNTS RUMORS OF ANY FURTHER DEVALUATION

Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 86 p 1

[Article by Jerry Johnson]

[Text] A SENIOR Government official yesterday branded talk of a further devaluation of Trinidad and Tobago currency as rumours circulated by black marketeers to manipulate the price. The Government, the official said, would be crazy to devalue the local currency twice in an election year.

Anthony Jacelon, Minister in the Ministry of Finance, confirmed this yesterday morning when formally opening a two-day seminar for corporate customers of the Republic Bank.

The government official said the rumour was the work of currency speculators who had brought back foreign currency, spirited away from the country earlier, and were trying to determine price by increasing demand.

Black marketeers, too, were involved in the manipulation of price and they were selling mainly to cocaine dealers who could not obtain EC-0's for their illicit drugs.

Commenting further, the official said that this was the reason the Ministry of Finance and the Governor of the Central Bank could not entertain the Trinidad and Tobago Chamber of Industry and Commerce's proposals to dismantle the EC-0 system.

Significant Factor

A Chamber delegation met recently with both the Minister in the Ministry of Finance and the Governor of the Central Bank and presented strong arguments for dismantling the EC-0 system which included the decline in purchasing power generally and the devaluation of the local dollar.

"Circumstances are changing and the devaluation is a significant factor," the official said. "But the recommendations are premature."

The official explained that while the Chamber proposals were reasonable, if the Government dismantled the EC-0, with the speculation about devaluation, everyone would rush immediately to import goods and stock up Trinidad and Tobago until it sinks.

"We must wait until the rumour dies down," he said.

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CSO: 3298/360

BRIEFS

PIARCO BOMB SCARE--Piarco International Airport was closed for about two hours on Saturday as a result of a bomb scare which saw the complete evacuation of the main terminal building. As a result of the noon-time bomb report, several outgoing flights were delayed and incoming planes were not allowed to land, an airport source said. [Text] [Port-of-Spain EXPRESS in English 24 Feb 86 p 40] /9274

TOBAGO AIRPORT CLOSURE--Crown Point Airport in Tobago will close for two days from tonight to permit major repairs to the runway. Trinidad Contractors Limited, who are carrying out a $6.2 million resurfacing job on the runway, will work around the clock until Thursday morning to carry out the repairs. An announcement of the Airports Authority explained that the major repair work is on the spots of the 6,000 foot long runway which have been continually succeptible to wear from the frequent aircraft landings. As a result of the suspension of flights of the BWIA Domestic Service all tomorrow and Wednesday, the demand on the inter-island ferry service run by the Port Authority is expected to increase dramatically. Meanwhile, an informed source told the Express, that the National Security helicopters would be available in the event of any emergencies which may demand anyone being flown into or out of Tobago. But another source connected to the tourist industry said that a number of visitors to Tobago who had advanced departure bookings for tomorrow and Wednesday will now be put to great inconvenience, and additional hotel expenditure. [Text] [Port-of-Spain EXPRESS in English 24 Feb 86 p 40] /9274

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END

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7 APRIL 1986

Latin America Report

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INTER-AMERICAN AFFAIRS

FIRST AMERICAN CONGRESS OF JURISTS VIEWS FOREIGN DEBT

PA162332 Havana International Service in Spanish 0000 GMT 13 Mar 86

["Our America" commentary]

[Text] The first American Congress of Jurists was held in Lima. The participants basically analyzed the problems created by the region's foreign debt. Lima Mayor Barrantes urged debtor countries to unite and tell the creditor countries that they are unable to pay the foreign debt. He noted that the debt is strongly linked to the existence of an unjust international economic order, which makes the developing countries pay too much for what they import and receive too little for their products. In a very outstanding moment in his speech, the mayor said that not only is the debt acquired by the continent's dictatorships immoral, but that acquired by democratic governments without consulting their people, is also immoral.

The foreign debt situation has existed for several years. The current democratic governments of the continent inherited this situation and are now desperately caught between the pressure exerted by the international banks and the wall of workers' demonstrations against austerity measures, which were adopted in an effort to resolve the crisis.

The case of Argentina is evidence that good intentions are not enough. Since the implementation of the Austral Plan, which froze prices on some items as well as all wages, the labor unions have demanded wage increases to recover their purchasing power. From July 1985 to February 1986, the cost of living in Argentina increased by 27 percent while salaries increased very little. On 24 January, Argentine workers went on a general strike demanding a 20-percent wage increase, a demand that will be made again during the next strike which the General Confederation of Labor has announced for 25 March.

Similar actions are being carried out in Bolivia, Uruguay, and Peru because of the high cost of living, low salaries, inflation, and unemployment--a situation that has been provoked by the foreign debt and increased interest rates, something that goes against democracy and the sovereignty of those nations.

This is the problem that was discussed with special attention during the jurists congress. Several delegates stated that the laws implemented by the international finance banks always allow them an advantageous position over their debtors, who are threatened with embargoes when they do not fulfill their commitments. These coercive actions against the debtor nations continuously threaten their sovereignty and represent, it was emphatically pointed out, a violation of the principle of international law that no one can transfer to nonexistent rights. Most constitutions state that the people are the trustees of sovereignty and therefore this principle cannot be weakened or threatened; this is currently happening due to the foreign debt crisis.

While the jurists' congress was analyzing the illegality of the foreign debt, the mayor of Lima urged the participants to put law at the service of the people's cause and to struggle for the establishment of a new international economic order.

/8918
CSO: 3348/458

BRIEFS

CHILE-BOLIVIA RELATIONS--La Paz, 3 Mar (AFP)--Journalist Jorge Siles Salinas, the new Bolivian consul general to Chile, categorically denied here today rumors about negotiations to try to re-establish relations between Chile and Bolivia. I have not been instructed to negotiate the re-establishment of relations with Chile, Siles said. He will take charge of the Consulate General in Santiago at a higher rank than the consular position he now holds. Siles Salinas admitted that the Foreign Ministry is more concerned about the sea outlet problem, because it implies an irrevocable concept for all the inhabitants of this country. [Text] [Paris AFP in Spanish 1453 GMT 3 Mar 86 PY] /7358

CSO: 3348/460

ANTIGUA AND BARBUDA

U.S. PERCEPTIONS OF CARIBBEAN NATIONS CRITICIZED

Media Domination

St Johns OUTLET in English 7 Feb 86 p 8

[Editorial: "All Human Life Is Equally Important"]

[Text]

The world has been plagued with accidents and disasters of late. 1985 was the worst year in aviation history. In 1985 more people died in plane accidents and crashes than ever before. It was the year too, of the terrifying and devastating Earthquake in Mexico, and the equally disastrous volcanic eruption in Colombia, when thousands died in mind-boggling mudslides.

Even before that, there was the awful and horrific sight of thousands dying, in India, poisoned by leaking lethal gas from a U.S. multinational.

Throughout 1985 and continuing there was the endless horror in South Africa, where a racist minority regime inflicts unending state terror on the Black majority. In a certain way, even more horrible then the daily racist horror in South Africa, was the end-of-the year weeping--willow tears shed by White Western powers and media when whites were killed in South Africa. Such deaths were categorised as the work of terrorists. That characterisation, is in itself, one of the worst outrages of the 20th century.

1986 has begun with other tragedies. The death of the U.S. crew aboard the spaceship Challenger was tragic. The human loss is cause for grief. The successful lift--off, quickly and unexpectedly followed by the massive explosion was shocking. America grieved, and the world humanely grieved with America.

Yet one felt that American power over the media had made this loss of seven lives, more grievous and more serious than the hundreds dead and dying in South Africa; more grievous than the hundreds of Palestians cruelly murdered in the camps at Sabra and Chattila by Israeli sponsored murderers. We were bombarded with details, about the seven dead on the Challenger, the students weeping for the teacher, never ever though have we been given a second of detail about the mere Black babes cruelly murdered in South Africa.

Of course, as everybody is made to know, Western media are very "balanced". However, their ethnocentrism, their belief that they are the Chosen People, God's Elect, and that as such whatever grief they suffer must be world grief,

and whatever is central to them must be of central concern to the world was more than evident on January 28, the day of the Challenger Space tragedy. That very day, 50 or more Indians died in a tragic accident in India, the life of fifty Indians was not worth a second's notice when hours had to be devoted to the 7 American crew members dead.

We take this opportunity to draw our readers attention to the phenomenon of cultural imperialism, through the all pervasive stranglehold of U.S. media in Antigua and the region. Such media are not only seeking to dominate our consciousness, but our very emotions, They are seeking to make us treat as a statistic the number of dead in South Africa, the number of dead Palestinians, the number of Africans dead from starvation, the number of Asians napalmed. At the same time they are elevating in our consciousness and in our emotions the sanctity of the life of the American citizen (Civis Americanus). American life alone is sacred. American life and s its loss alone must claim our total grief.

We in the Caribbean know that 19 Americans lost their lives in the U.S. illegal and unwarranted invasion of our Caribbean brother - Grenada. Not one single person in Grenada, anywhere in the world, in Grenada or Antigua, Trinidad & Tobago or Britain, Jamaica or the U.S. can say, even as approximate guess, how many Grenadians lost their lives in the illegal U.S. invasion of one of the tiniest countries in the world. Grenadian lives are worthless. American life is sacred. To the 19 dead American invaders a memorial has been built, not in the USA, but in Grenada! The Grenadian dead are unhonoured, some unburied, all unhallowed. This is a cruel distortion of the consciousness and humanity not just of Grenada but of the entire Caribbean.

The world will little note what we say here, and what is written here, but this notion that Third World lives are third rate if not worthless, and that American life is supremely sacred if left to go unchecked, could produce a world horror more horrendous than the most imaginative can conceive.

Ideological Categorization

St Johns NATION'S VOICE in English 21 Feb 86 p 4

[Andre Osborne column "As I See It...": "The U.S. and Us"]

[Excerpts]

Generations of Caribbean people have grown to accept American influence in the region. The big question that has been on most people's minds is why is the Caribbean so important to the United States. While the answer most frequently given is rooted in the threat of communism, one can observe other motivation factors. High on the list has always been the closeness of the two areas, the shared history and the need to spread influence, even among the small, all contribute to American interest in the Caribbean. More recently it has become necessary for closer ties with the Caribbean because of the influx of Caribbean people into the United States. Not to be forgotten are the several benefits American investors have gained by putting their money into the Caribbean and Latin America.

Access to European and African markets through re-export could mean a lot of money to the United States but these considerations seem dwarfed by the bogey of the Cuban missile crisis.

Living in the shadow of the 1962 crisis has made governments remotely hostile to the United States suspect. This fear has grown into a domineering movement that dubs all critics of the American way communist. We in the Caribbean have gained much from our American neighbours but the retreat of democracy wrought by this fear of opposition is no help to us.

Almost every facet of life is now being categorized in ideological terms and as political camps form the spirit of international co-operation is being killed. The Caribbean and the world has grown poorer as a result of this new tendency towards bilateralism.

A POORER CARIBBEAN

Most banana growing countries in the Caribbean now know from bitter experience the result of the U.S. embargo on Nicaraguan fruit. I don't wish to become involved in the dispute but the action set in motion circumstances that have affected sister islands adversely. The fear of aiding the opposition has meant that no one wishes to speak up and that everyone is seeking favour at the expense of unity. Experience has shown that we in the West Indies have done far more together than we could ever have achieved on our own and that bi-lateral deals are not to our maximum benefit. The severing of ties with UNESCO was a great blow to the Caribbean, many programmes had to be cut and cultural exchanges stopped True enough the United States has agreed to exchanges on a one on one basis but this is not satisfactory when dealing with other countries. The refusal to ratify the law of the sea convention and opposition to policies that will help the Third World have not shown too much support for the Caribbean. Pressure on the World Bank, UNCTAD and the I.M.F. for more stringent ideological policies has not done any good for the Caribbean. When the glories of free enterprise are extolled by our friends we must expect to se this being practiced.

One cannot help the feeling that we are being used in a checker game especially when we look at how we are being treated as friends under bilateral arrangements. Statements by American officials assure us of their support but this is not enough in a world that is being torn apart by confusion. We need greater support for our regional organisations like Caricom.

/9317
CSO: 3298/367

ACLM SAID TO HAVE TIES WITH LIBYA; OUTLET VOICES DENIAL

Review of Libyan Activities

St Johns HERALD in English 14 Feb 86 pp 1, 2

[Text] In our January 24th, 1984 issue, the HERALD's editorial focused primarily on International Terrorism. This was done in order to apprise nationals of the far-reaching dangers associated with this sinister and appalling act. Now, less than one month since that publication, the HERALD has received reliable information linking ACLM's leader, Tim Hector, to the international Lybian terrorist leader, Muammar Gaddafi. Presently, we are investigating the allegations with a view towards presenting the public with the actual facts of his alleged connection.

It was learned that since early 1980, Libya has been supplying arms and money to radical groups and some governments throughout the region. In addition to supporting the Sandanista government in Nicaragua, Libya also offers military training and weapons to radicals seeking to undermine Western, particularly the United States' influence in the Western Hemisphere. An organization known as The Islamic Call Society with its headquarters in Libya came into being as an aid society for Muslims in trouble. Yet, in a speech given by the Libyan Minister of Culture and Religion, Dr Mohammad Al-Sharif, who led the Libyan delegation to the Caribbean Islamic Conference, it was pro-Gaddafi and extremely anti-U.S. Although the Muslim community in the Netherlands Antilles is overtly politically conservative, the radical polemics expelled at the meeting denote publicly Libya's determination to expand its influence in Central America and the Caribbean. When the ICS held its Third Caribbean Islamic Conference in Willenstad, Curacao, April 18-21, 1985, it was the 3rd in a series of its biannual conferences. The first was held in Trinidad and Tobago in 1981 and the 2nd in Barbados back in 1983.

It should be noted that the ICS, itself a Libyan front organization for subversion abroad, seeks other front organizations to carry out its real objectives. One such organization is the Caribbean Islamic Consultative Committee which was established by the ICS during the April, 1985 conference. The leaders of opposition parties on some of the island Republics, in the Caribbean such as Jamaica, Dominica, St. Lucia and Grenada, have been offered large sums of money in return for opposing the existing democratic institutions in the region. Another organization, The Central Revolutionary Committee, is responsible for perpetrating and expanding the Libyan Revolution. It is also the focal point for state-sponsored terrorism by Gaddafi's government.

It has at its disposal a budget of several millions of dollars, sophisticated weaponry for terrorist and guerrilla warfare activities and an experienced cadre of international revolutionaries for training terrorists. Its regional Caribbean office is located in Paramaribo and the official directly responsible for the Caribbean is Mukhtar Danas who has made several trips to the region. On August 25th, 1985, the Center for International Revolution used one of its front organizations to spearhead a meeting in Curacao. Although the meeting was described as a conference to examine the many problems facing Caribbean writers and journalists, it turned out to be a planning session for the Caribbean National Movement (CNM).

The CNM, is a grouping of revolutionary and leftist organizations in the Caribbean and is headquartered in Kingston. As a follow-up to the August 25th meeting, Libya has agreed to provide financial support and direction to the CNM. Plans are now on the way to open a permanent central office in Jamaica and a sub-office in Barbados or St. Lucia. It must be known that the Libyans have selected a three-man leadership council to run the CNM. They are Hervin Chung of the National Liberation Movement of Jamaica, Roosevelt Douglas of the Dominican Labour Party and George Odlum of the Progressive Labour Party of St. Lucia. The Libyans have also set priority objectives in their current support to the CNM. These objectives include financing and guiding the following activities; (1) demonstrations and other political activities directed against the government of Dominica (2) Political parties in Guadeloupe, Martinique, French Guiana and the Dominican Republic (3) a united front of Jamaica People's National Party radicals (4) the lawsuit of Tim Hector of the Antigua Caribbean Liberation Movement against the government of Antigua and (5) a Caribbean-wide newspaper. Also, they will continue to fund directly George Odlum and have agreed to provide him with a printing press for the PLP's newspaper, the "Crusader."

Among Caribbean countries and dependencies targeted by Libya as offering the best potential for violent confrontation are Jamaica, St. Lucia, Dominica, the Dominican Repubic, the French Caribbean and **ANTIGUA.** This is quite alarming since many of us in the nation have been under the guise that we were sheltered in our democracy. Now, with limited defences against terrorism, a small population, paucity of resources and quiet political dissension we would like to direct your attention to the paper's insert showing ACLM's leader, Tim Hector, at a meeting with his Libyan terrorist friend and counterpart, Muammar Gaddafi. **ARE WE READY FOR AN ANTIGUAN/LIBYAN CONNECTION?**

ACLM Organ's Response

St Johns OUTLET in English 21 Feb 86 p 8

[Editorial]

[Text]

The Bird regime, stung by growing internal dissension and by its ever increasing unpopularity is attempting to take the heat off its corrupt and incompetent self.

The February 14th issue of the **Herald** newspaper, the mouthpiece of Deputy Prime Minister, Lester Bird, alleges that some sinister conspiracy, aimed at promoting violent terrorist activities in Antigua, has taken root between the Libyan leader, Muammar Gaddafi and the ACLM.

The paper, in a front page article, captioned **'ACLM/Libya Connection?'** claims that the Libyan government, has at its disposal, several million dollars and sophisticated weaponry for terrorist and guerilla warfare, and has offered military training and weapons to Caribbean radicals seeking to undermine United States' influence in the Western Hemisphere.

The Herald **did not and could not substantiate its allegations.** It merely carried a picture,on a separate fly leaf, of ACLM chairman Tim Hector in a meeting with Gaddafi and other Caribbean politicians. Presented as some major journalistic scoop, the picture, no doubt seeks to convey the impression that the Outlet editor was engaged in a clandestine, conspiratorial encounter with Gaddafi, previously unknown to the Antiguan public.

Let us set the record straight! Outlet and ACLM have never attempted to hide the fact that Hector did indeed make two visits to Libya and while there conversed with its Head of State.

In July of 1982, Hector visited Libya for an International Congress of Third World countries which involved representatives from over 100 countries of some 280 organisations from Latin America, the Caribbean, Africa and Asia. On his return to Antigua, Hector, in a '**Fan the Flame'** article titled **"Bird calls Direct Democracy Communist',** recorded his impressions of the Libyan Revolution. In that **July 23, 1982 Outlet, the same picture reproduced by the Herald was carried.**

Again, in April 1983, Hector returned to Libya to attend a conference involving some 1,500 scholars and thinkers from around the world. While there, he was hospitalised thus preventing him from appearing in Court to answer a charge brought against him by the Commissioner of Police. Although a telex was sent to the Antiguan authorities advising them of Hector's inability to travel, he was arrested on his arrival in Antigua from Libya. April 21st and kept overnight in a Police cell. His passport was subsequently seized.

Therefore, neither the Bird regime nor the Antiguan public could have been unaware that Hector travelled to Libya and had met Muammar Gaddafi. Outlet and ACLM tells the truth, the whole truth and nothing but the truth. It is the right of all Antiguans to travel to any nation, South Africa excepted. Moreover Libya is an independent nation, a member of the United Nations and other international organisations and at the time of Hector's visits, it was the seat of the Organisation of African Unity (OAU) and Gaddafi was then the chairman of the OAU.

The motive of the Herald and the Bird regime in bringing up the Libyan bogey at this time is patently obvious. Taking their lead from the American State Department and media, they are seeking to scare the population and divert attention from the savage infighting within the Cabinet, their abuse and misuse of power and the maladministration, foreign domination, social misery and confusion that presently besets this nation.

Let us remind that ACLM and Outlet **have never promoted or advocated violence in the state.** Since the return to power of the ALP in 1976, there have been no acts of violence directed against the Bird regime, no bombs, no sabotage, no kidnappings, no political murders. **The same cannot be said of the years 1971-76 when the ALP was out of power.** Then, bombings, industrial sabotage and the scandalous AFF, which advocated violence in its most vile form was the norm rather than the exception.

During ten years of Bird rule, ACLM have endured the arrest of five members who picketed against the activities of Space Research Corporation, a Police raid on the Outlet staff office and illegal seizure of material and the pepetual harassment, prosecution and confinement of its chairman Tim Hector. **In a land where it is illegal to picket, demonstrate or stick up anti-apartheid posters on public property, ACLM have always confronted State terror with reason and good sense.** In past years the regime in its abortive attempts to discredit ACLM, have exploited the people's fear of communism. This reached a peak after the American invasion of Grenada. We can recall the regime's hysteria in claiming that Cuban made arms (Cuba does not manufacture arms) had been discovered on an Antigua off-shore island. The Attorney General promised an investigation. To date, two years later, there has been none.

The anti-communist gibberish has failed. No longer can the 'if you have two houses they'll take away one' nonsense blind Antiguans to the fact that the only credible alternative to the Bird corruption, disaster and mismanagement, is the ACLM.

So at this moment, when the regime is more divided than ever, when the Workers Voice 'the organ of its industrial arm, the ATLU', has become a most fervent critic, when their socalled anti-apartheid crusade has been laid bare, they must find a new red herring, it has now become fashionable for the U.S. State Department and media to blame Libya for every terrorist incident in the world and to project Gaddafi as the master mind behind terrorism everywhere. The Bird regime, unfit and unable to govern follows suit.

But this very week, Prime Minister V.C. Bird, along with his fellow-Caribbean house slaves were prepared to sit with Ronald Reagan who ordered the mining of Nicaragua's harbours, who supports the murderous Somocists in their unholy war against women and children and who in recent times have given military and financial support to Jonas Savambi, the South African backed Angolan puppet whose terrorism results in great misery, deprivation and death for the Angolan people. Those who live in glassshouses should not throw stones.

The Bird regime's latest ploy will not fool the public. Ten years of Backwardness, Igonorance, Retrogression and Disaster, cannot be hidden by unfounded glibber about ACLM's so called links to terrorism. The undermining of justice, human rights, public utilities, health and educational services, indeed the undermining of Antigua's image at home and abroad will not be washed away by mere slander.

We can see clearly now!

[The article is accompanied by a photograph showing four indistinguishable figures seated in a circle; the photo bears the heading "Reprinted from OUTLET, July 23, 1982" and a caption reading, "ACLM chairman Tim Hector, is seen facing Colonel Muammar Gaddafi who is seated at left of photo."]

/9317
CSO: 3298/367

ANTIGUA AND BARBUDA

UNION ORGAN HITS LESTER BIRD'S 'FLIP-FLOP' LEADERSHIP

St Johns THE WORKERS VOICE in English 1 Feb 86 p 1

[Text] The Hon. Lester Bird Deputy Prime Minister of Antigua and Barbuda has made a complete round about, a somersault, a flip-flop and a right about turn.

We are speaking about the controversial tour by the English Cricket team. The Deputy, the most adamant of West Indian leaders, that Gooch, especially, should apologise for their visit to South Africa before they are allowed to visit Antigua.

Gooch subsequently apologised and the Deputy gave the green light for the tour to continue. He said that the English rebels were duly punished by their country under the terms of the Glen Eagles Agreement, he said that no country could dictate for another and he was satisfied that England did their part.

The Deputy has now shocked the Nation by completely reversing his decision and announcing that he would neither support the visit of the English team nor would he attend the Cricket matches. People are left to wonder what kind of leadership is this? Good today, bad tomorrow!

The Deputy must be more consistent. He who would tolerate a souh African God mother for his child, should be more consistent in such matters. Leaders are made of sterner stuff...

/9317
CSO: 3298/367

ANTIGUA AND BARBUDA

INTERNAL STRUGGLE SAID TO DIVIDE RULING ALP

St Johns OUTLET in English 21 Feb 86 pp 1, 2

[Text] The war of words in the ALP has not abated. It reveals, at times, hatred, at others an intense animosity of colleague against colleague, that some members of one faction in the Cabinet look set to do other grievous either political or eternal harm.

Though the war of hostile words between the various factions in the ALP has gone on with bitter salvos being fired on both sides, there is no likelihood of a break in the Bird Cabinet. The glue of power, as well as the perks, the money, enjoying the pomp and circumstance of power, will make these so-called "Honourable" men dishonour each other in their public diatribes and still stay together. The result, maladministration of the affairs of Antigua. For like a house divided against itself, must fall, so a Cabinet divided against itself must misgovern.

Telling Sign

Recently in England when two ministers were at war, the Defense Minister and the Minister of Trade, first one and then the other resigned. Both realized that the Thatcher Government could not govern with any semblance of respect if the public feuding between two ministers continued. Not so in Antigua. We have the appearance of parliamentary democracy, but we know nothing and practice less of the conventions and substance of Parliamentary democracy.

The most telling sign of the deep rifts within the Bird Cabinet came recently when Finance Minister John St Luce, formerly thought of as a contender for the succession, revealed to a meeting of bankers in Antigua that he would leave the government now, so fed up he said he was with the bickering and do-nothing Cabinet, if he could get alternative employment.

St Luce has virtually relinquished leadership of his faction, finding some of his colleagues "treacherous" as they are alleged to have privately made deals with the Lester Bird faction while pretending to support him. Of late too, Reuben Harris, Minister of Education and known for his over-weaning ambition, has emerged as the leader of the anti-Lester Bird faction in the Cabinet.

Now in last Saturday's **Workers Voice** there has come fresh public feuding. The anti-Lester Bird faction in the Cabinet obviously authored an unsigned article which appeared on the **front page** of the Workers Voice, organ of the industrial arm of the Ruling party.

RUN-AWAY

The front page article, in question, denounced, in **the harshest possible terms** Minister **Hugh Marshall,** Minister without Portfolio in the ministry of Economic affairs, Tourism, Trade, Foreign Affairs and Energy. Among other things the article denounced Marshall as a "just loud mouthed". Worse, Minister Marshall is publicly ridiculed in the Government press as one who "**long before** he became honourable developed a **hatred** for the police because they (the police) attempted to discharge their duties" (The words against him are omitted but are obviously inferred and implied) My My!

The anti-Lester Bird faction did not stop there. So as to leave the reader in no doubt that they are slinging the dirtiest mud they can find in Marshall's past to besputter his face in the present the article continued thus.

"**Our friend from** Grays Farm (Tanny Rose?) completely lacking finesse, has said openly that if the young anti-apartheid protestors had been wearing **skirts** and **high-heeled shoes** they would undoubtedly have escaped the wrath of the police".

Every Antiguan and Barbudan knows what this is a reference to, and the valid reference is only to avoid libel, but nonetheless abusive in the extreme. It is to such low levels that the Bird Cabinet has sunk in its bitter public feuding.

ESAU

The article in question is a response to Marshall's deploring the arrest of young Antiguans, belonging to the Committee of Concerned Youth against Apartheid who were arrested for sticking up anti-apartheid posters. Marshall, publicly deplored the arrests, as being lawful, but definitely **not** in keeping with the government's anti-apartheid stance. Marshall insisted and was careful to quote the Bible that 'the law (sabbath) was made for man, and not man for the law (sabbath)'

However, the anti-Lester Bird faction anxious to tilt against Lester Bird with all their might charged that Marshall spoke out against the anti-apartheid protesters, but, said the anti-Lester Bird faction, Marshall's statement deploring the arrest, "was **indeed** the voice of Jacob, but the hand was the hand of Esau". This may or may not be so but according to anti-Lester Bird faction in Cabinet Lester Bird is the real author. and therefore culprit.

We use the word "culprit" advisedly, because the article itself views Lester Bird as an accomplice who condoned Marshall's statement explicity or implicity. Said the article "The Honourable Marshall's statement has serious implications for law and order in this country, for the morale of the Police Force. To date there has been no indication that the Honourable Marshall has been reprimanded for his public statement and since he is only a junior Minister, it is reasonable to assume he had the **endorsement** of his Minister(Lester) on this issue".

RESIGNATION

Not content with that the article called for Marshall's resignation and by extension Lester Bird's. It said "When a Minister makes a public appeal to raise funds to assist law-breakers with their legal fees, it is clear that that Minister has joined with the law breakers **to fight the government.** In most other democratic countries that Minister would have the **decency** to offer the Prime Minister his resignation since he would no longer consider himself bound by the principle of Collective Responsibility".

What is serious in all this is the notion that the Police are always right, and to deplore any act by the Police is "to fight the government" and "to flout Collective Responsibility". Though we intend to take no sides in this raging battle, involving the most intense hatred, of Cabinet member for Cabinet member, it is common for Cabinet Ministers in England or the USA, to deplore specific actions as excessive.

APARTHEID SUPPORTER

What is apparent however, and shameful, is that the writer or writers of the article, clearly a Cabinet Minister or Ministers, actually support apartheid in the article in question. The article stated "Are we to understand that in the view of the Honourable Marshall, people who wound, murder, demonstrate without permission, wilfully flout authority, and flagrantly break the law, commit arson or destroy property under the licence of anti-apartheid activity should not face the penalties of the law".

This clearly means that the writers are against all those in South Africa who are protesting apartheid in a life-and-death struggle. They should ask Botha for permission to demonstrate, should be shot and killed in retaliation, and the article agrees with Botha "to use the full force of the law" against anti-apartheid protesters. Certainly, the article could not be referring to events in Antigua because no one here has been wounded, murdered or committed arson in any public demonstration.

The crass conservatism expressed here is the voice of an annonymous Jacob, but it bears the stamp of the ultra-Right arch-reactionary Reuben Harris, "the fight steel with steel man" when the Bird government ruthlessly put down the teachers in 1979 refusing even to honour the ruling of the Court that the Teachers were unlawfully dismissed and should be reinstated.

Oddly enough, Outlet Editor has been charged with "undermining confidence in a public official on the conduct of public affairs" yet the very public officials by Radio and in print are publicly **undermining** confidence in each other. If the law were fair, they would all be charged.

The invective, abuse, harshness and hostility in this article on the Front Page of the **Workers Voice** highlights the brutal battle for succession and the division of the Bird Government into mutually hostile camps. This mis-government continues.

/9317
CSO: 3298/367

FURTHER REPORT ON RADICALS' ANTI-CGT CAMPAIGN

PY232154 Buenos Aires BUENOS AIRES HERALD in English 23 Mar 86 p 13

[Text] (NA-DYN)--The UCR national committee yesterday blasted the CGT Tuesday strike call as "the extreme expression of anti-democracy and the apology of confrontation as a method."

A campaign to counter labor unrest and discredit the strike took off in San Carlos de Bariloche last night when the Radical National Committee executive board released a sharp statement tongue-whipping the "authoritarianism" of the CGT and its hard-line attention-grabbing tactics pitting government against workers.

The statement, entitled "Radicalism Will Defend the Popular Will," calls the strike politically motivated so the CGT can "create a space of its own and continue accumulating power."

Committee Second Vice-president and Lower House Majority Leader Cesar Jaroslavskiy said the strike is "opportunist" rather than "based on principles."

But Senator Edison Otero, alternate UCR party chairman, explained his party has decided against direct confrontation with the CGT and will instead adopt "an active stance to face CGT aggression."

Jaroslavskiy said the party's "mobilization" plan is centered on the slogan "to strike or continue moving forward" and added, "we want to step ahead." The campaign includes rallies in Rio Negro and Catamarca as well as "every possible means to clear up public opinion," mainly through ads and posters already covering city walls.

During the Bariloche talks the committee also voiced strong support of the Contadora peace initiative and claimed diplomacy and political dialogue, coupled with respect for the self-determination of nations, are the only ways to secure a peaceful and lasting solution to the Central American crisis.

Another statement criticizing the CGT was released by the UCR Buenos Aires Provincial Committee after their convention delegates gathered yesterday in Avellaneda to outline this year's political strategy, elect new authorities and ratify the widely-backed nomination of Public Information Undersecretary Nestor Rodriguez Cross as convention chairman.

"Argentina cannot bear to live in permanent confrontation with corporativist schemes" the provincial committee contended, opposing "socially anachronistic" strike measures which repeatedly grind the country to a halt. On a separate matter the provincial authorities endorsed the government's privatization plan and moves to "revamp the state apparatus."

Yet further annoyance over CGT actions came this weekend from Buenos Aires City Radicals, as they blasted "some union leaders who readily adopt measures the government does not deserve." In a message signed by city head Jorge Gomez and secretary-general Enrique Nosiglia, the group charged "those same leaders showed greater calm and patience during the military dictatorship from which we inherited the worst economic crisis in national history."

Conceding there is no easy way out of the economic situation, the city radicals warned wage hikes over and above the economy's possibilities will only "newly spark the torture of inflation which the Argentine people helped crush in June 1985. "Nor can irresponsible attitudes be taken in connection with foreign debt commitments." the group added, for such measures would place an even heavier burden on the shoulders of the poorest workers.

They stressed the CGT scorned government pledges to guarantee the buying power of salaries in 1986 as well as offers to dicsuss income policy, taking into account not just wages but also price regulations.

Similar views are emerging from a seminar ending today on politics and socio-economic affairs held by city radical government authorities, congressmen and party leaders. Lower House Speaker Juan Carlos Pugliese opened the meeting on Friday affirming that, faced with the CGT's strike, the UCR will "take to the streets to fight for the transformation and modernization of archaic structures."

"We are forging a deep change in Argentine society which is right under our noses, however it seems we cannot see what is close up and instead look back unleashing renewed confrontations without knowing what they are over," Pugliese said.

Finally the Radical Youth also took stands at odds with the CGT contending that "once the excuse of a unilteral moratorium was grounded in Congress, the only recourse left" the labor group was to put the wage issue on the front burner to justify confrontation.

In a statement the youth said the current national situation "obliges labor leadership to refrain from confronting the government to divide society." However the government must step up serious solutions to the social problem, they added.

/9738
CSO: 3300/72

BAHAMAS

FNM OFFICIAL CITES RUMORS OF 'SNAP ELECTION'

Nassau THE TRIBUNE in English 5 Mar 86 pp 1, 4

[Article by Anthony Forbes]

[Text]

FNM Deputy Leader Cecil Wallace-Whitfield told thousands of supporters at a rally last night that he recently heard rumours in Freeport that Prime Minister Pindling is thinking of calling a snap general election within 90 days.

Addressing the rally at R M Bailey School playing field, Mr Whitfield, who is MP for Pine Ridge, Grand Bahama, said the opportunity to stop the Prime Minister must come between now and August, 1987, when general elections must be held.

"It can only happen if we as Bahamians now do the things that are necessary in order to give us the chance of removing him," he said. He urged supporters to get registered to vote because a "voteless people is a hopeless people."

"You see, we keep hearing rumours of all different kinds," he said. "It must come but when I was in Freeport I heard that somebody said that Pindling is thinking about calling a snap election in 90 days."

"Now that may or may not be true, it may or may not be true, but if he did call an election in 90 days and those of us who didn't bother to get registered, we would be cussing ourselves, left, right and centre, black, blue, orange and purple because we didn't go and get registered when we could," he said.

He said he is among those who has not registered and he knew he was speaking to a lot of people who were in the same position as him.

"But within the next 14 days, I will correct that situation and I hope that during the next 14 days, the other thousands of Bahamians like me who have not yet registered will see to it that they are registered to vote in this election," he said.

He said there are thousands of FNMs who have registered, but there are thousands more who have not.

"And if an election was called in a short period of time and Pindling came off with 22 or 23 seats, maybe by 10 votes, 11 votes, 12 votes, we would be counting ourselves because we haven't done those things that we ought to do," Mr Whitfield said.

He said that he believes that the FNM could have won the election in 1982 "if only we who are FNMs would make sure that we do those things that are necessary to prevent Pindling from taking an election away from us."

"When I came back on June 9 (1982) and went to the Southern Recreation Grounds that evening, there were thousands of people all over the park and everyone who was there was convinced that tomorrow there would be an FNM victory," he said.

"But something went wrong and something went wrong the next day because FNMs became so convinced that we were going to win that FNMs didn't do those things that they needed to do on election day in order to ensure an FNM victory," he said.

"Now simply because Pindling only had 525 people up at the Yamacraw meeting the other night and the FNM have over 3,000 at this meeting tonight, is no reason for us to go sleep," Mr Whitfield said.

"It is good reason for us to be quite heartened and to feel good about the work which we are about, but we must not slacken our pace and we must not lose heart," he said. "We must speak to every PLP that is on the fence and wanting to change, that is wanting to come over. Each one of them that we can bring over to our cause it means the more certain we can be of victory on election day.

"Do not turn away those who would wish to come and join us in the FNM. Encourage everyone to join in this FNM because this is not just a struggle for our handful of people," he said.

"This is a struggle for the survival of this country, for us to be able to look forward to the day when we can breathe the breath of freedom and tell our children we have removed a monster, we have destroyed the evil in our midst, we have kept the faith with you and we now have an FNM government which will ensure that there is economic opportunity for our people, there will be fairplay, there will be justice and there will be no victimization," he said.

"Those are the objectives and the aims for which we seek and fore which we must work constantly," Mr Whitfield said. "It will not come to us simply because we want it, it is only going to come to us because we work for it."

/9274
CSO: 3298/372

FOUR GROUPS FORM NEW HUMAN RIGHTS ORGANIZATION

Nassau THE TRIBUNE in English 6 Mar 86 p 1

[Article by Athena Damianos]

[Text] A new human rights organization, under the chairmanship of Anglican priest Dunstan Burrows, has been formed and will hold a "great march" from Windsor Park to Rawson Square next Tuesday night.

Father Burrows urged all groups and individuals in the society--churches, unions, political parties, civic organizations, social and sporting clubs, professional associations, junkanoo groups and others--"to join us in the great march for justice and freedom."

Bahamian Coalition Human Rights is made up of a diverse group of people who are concerned about the preservation of the fundamental rights and freedoms of all who live in the country.

"Recent events have brought further disgrace on the name of our country--and every Bahamian with any sense of decency and morality will feel ashamed. Only those with no shame or no heart will be proud of what happened. We refer, of course, to the inhumane round-up at gunpoint of illegal immigrants and Bahamian-born citizens, the forced separation of families which recalls the days of slavery, and more recently the beating and death of a man while in police custody," Father Burrows read from a prepared Press statement.

The executive of the new organization introduced themselves at 1 pm today in the shade of the massive fig tree in the shadow of the Supreme Court, reminding Bahamians that "this is the institution which has the duty to ensure that the human rights of all in the Bahamas are respected beyond the shadow of any doubt whatsoever."

Bahamian Coalition for Human Rights is so far represented by four groups: National Association for the Protection of Human Rights, Freedom and Justice Now Committee, Concerned Citizens Action Committee and Vanguard Nationalist and Socialist Party.

Under the leadership of former Cabinet Minister Randol Fawkes, the National Association for the Protection of Human Rights in 1980 went to New York to complain to United Nations authorities that the Bahamas has consistently refused to sign the international convenants on human rights. The group was fighting against the proposed constitutional amendments at the time.

Freedom and Justice Action Now Committee was formed to protest the firing of then Bahamas Union of Teachers principal Leonard Archer as a high school principal, and Concerned Citizens Actions Movement banded together in mid-1985 on the South African apartheid issue.

Members of the new organization are Father Burrows, chairman, Elma Chase, treasurer, of Elma E. Campbell Chase law firm, Earla Carey Baines, secretary of the new organization and assistant secretary general of the Trade Union Congress, Carl Bethel, a lawyer and vice-president of the FNM's Torchbearers Association, Haldane Chase, a lecturer at the College of the Bahamas, Wallis Carey, Women's director of the Vanguard Party, brothers Dion and Mark Hanna, a lawyer-member of the Rastafarian movement and farmer, respectively, and Wilford Lockhart, accountant.

Father Burrows said that recent events concerning the Haitians have served as a catalyst for Bahamian Coalition for Human Rights.

"Our only regret is that such an organization was not formed a long time ago. For too long now individuals and groups in our society have had their human rights trampled on and their cases, to a lesser or greater extent, have been taken up by individual groups of persons with minimal success," he said.

"Noting that there is strength in numbers, we have been moved by the power of God, we feel, to pool our financial, spiritual, moral, intellectual and physical resources as we engage in this struggle to preserve decency, morality and humanity in the affairs of men of our land.

"For too long, we as a people have remained silent while young men have died in police custody, their deaths remaining uninvestigated and unpunished; and for too long we have remained silent while bread was taken out of the mouths of Bahamian citizens as their parents were denied jobs because of their political persuasions; for too long we have done nothing to tackle seriously the problem of unemployment which is the basis of most of our social problems and which brings about the degradation of too many of our youth," Father Burrows said.

"We have no desire to be oppressed and abused as in Haiti and the Philippines. Using people power, we will stand up and be counted."

Bahamians Coalition for Human Rights called on all to bring pressure to bear on Government in order that the dignity and rights of all will be respected.

Father Burrows quoted from article 15 of the Constitution, which states, "The fundamental rights and freedoms are: (a) Life, liberty and security of the person, (b) enjoyment of property and protection of the law, (c) respect for privacy and the security of family life, (d) freedom of conscience, of expression, of movement and of peaceful assembly and association."

In order to focus attention on the question of human rights, Bahamian for Human Rights have planned a march for Tuesday starting at Windsor Park at 7 pm. The march will be held along East Street to Rawson Square where a rally will be held in front of the statue of National Hero Sir Milo Butler, "a champion in the cause of human rights."

Father Burrows thanked all those organizations and individuals who have supported the cause of human rights before now and who have pledged to continue to do so.

"Thanks also to those who have kindly provided assistance to our Haitian brothers, sisters and children in the present crisis," Father Burrows said.

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CSO: 3298/372

BARBADOS

TRADE WITH TRINIDAD DOWN IN 1985, NOW PICKING UP

Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 86 p 16

[Text]

BRIDGETOWN, Feb. 26, Cana — SALES of Barbados-made products to Trinidad and Tobago declined by 48.5 per cent last year, but were starting to pick back up by year-end, Commerce and Industry Minister Louis Tull said today.

"The flow of trade to Trinidad and Tobago in the last quarter of last year picked up reasonably well after we took certain decisions," he said.

Fielding questions from members of the Chamber of Commerce, Mr. Tull said these decisions included reopening the Barbados market to canned Trinidadian soft drinks, restricted from entering a few years ago after their disposable tin containers were deemed by local authorities as an environmental hazard.

Mr. Tull was unable to say how much in dollar terms Barbados sold to Trinidad and Tobago in 1985, but forecast continued improvement in trade between the two countries this year.

Trinidad and Tobago is the largest export market for Barbadian products in the Caribbean Community Common Market (Caricom). Import restrictions in force there over the last few years seriously hampered the manufacturing sector here, causing production cutbacks and substantial staff lay-offs.

Local Goods

Meanwhile, alluding earlier to the problems that had beset local manufacturing as a result of the decline in intra-Caricom trade, Mr. Tull said the distributive sector can help manufacturers in such situations by purchasing local goods wherever possible in preference to imported ones.

"We must strike a fair balance between the interests of the local distributor," he said in a speech to a Chamber luncheon.

"The distributor dictates what consumers will purchase, because consumers can only purchase what is made available to them in the stores," he said.

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CSO: 3298/373

BARBADOS

OPINION POLL SHOWS TWO PARTIES RUNNING 'NECK AND NECK'

Bridgetown WEEKEND NATION in English 14-15 Feb 86 p 1

[Article by Harold Hoyte]

[Text] **THE TWO POLITICAL PARTIES in Barbados are running neck and neck at the start of this election year.**

This has been confirmed in the first opinion poll conducted by SYSTEMS on behalf of THE NATION.

Although the two parties have got about equal support from committed voters interviewed in the poll, their percentage of the 978 persons island-wide who responded, is too small to be of great significance.

The size of the uncommitted vote is too large for one to make a reasonable prediction about what would be the outcome if a general election were held tomorrow.

Support for the two parties in the poll conducted over two weekends and concluded last week is as follows:

Barbados Labour Party (BLP) 17.0 percent.
Democratic Labour Party (DLP) 16.6 percent.

Since each of these parties traditionally holds about 40 percent of the support of voters, the small percentage who have expressed their preferences is not enough on which to come to a firm conclusion.

In fact, those who would not say whom they will vote for, represent almost as many as those who have committed themselves to the two parties together — 31.3 percent.

Likes and dislikes for the two parties further underscore the even nature of the contest so far.

Asked if they could say if they liked or disliked the BLP or DLP, respondents' answers showed no major gap between the two.

Those who liked the BLP **VERY MUCH** represent 8.2 percent while 8.6 percent like the DLP **VERY MUCH**. Of those who **LIKE** (as opposed to **LIKE VERY MUCH**) the party, the BLP claimed 21.9 percent while the DLP got 21.3 percent.

Even in dislike

Dislike for the two parties also panned out pretty evenly with 5.9 percent disliking the BLP and 4.1 percent disliking the DLP.

Both parties will want to take consolation from this first opinion poll.

The DLP will feel good about the rating of their leader. Respondents were asked to rate the political leadership of Prime Minister Bernard St. John and the leader of the Opposition Errol Barrow, respectively on a scale of one to ten. Mr. Barrow of the DLP did better than Mr. St. John of the BLP. Mr. Barrow got the higher percentage — 33.3 percent of those who scored them between seven and ten points, (Mr. St. John got 17.8 percent).

Similarly it was Mr. St. John who got the higher percentage of those who rated them between one to four marks while 8.2 percent rated Mr. Barrow in that low category.

The BLP will want to draw its strength from the fact that 71.7 percent of respondents thought that the performance of Government island-wide was fair to excellent. Only 14.7 percent of respondents assessed their work as poor or very poor. Some 13.6 percent of electors said that they did not know how to rate the performance of Government.

SYSTEMS has been conducting public opinion polls for the **NATION** for several years and for the last general election they did a total of six, providing accurate data on the popularity of the parties and identifying the issues of concern to Barbadians. They will be conducting additional polls as election date draws nearer.

Interviews for this survey were conducted by a team of field workers who canvassed the entire island, covering 40 enumeration districts in all 27 constituencies. Care was taken to identify and ensure that the sample reflected as close as possible to a fair distribution of age, sex and socio-economic groups.

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CSO: 3298/373

BELIZE

PUP ACCUSED OF PLOT TO FORGE COMMUNIST LINKS

Belize City THE VOICE in English 16 Feb 86 p 2

[Unsigned article: "A Warning to All Belizeans"]

[Text]

This is an impassionate but serious warning to all Belizeans living at home and abroad and we hope that the other democratic newspapers do the same. This is not a scaring ploy but a serious warning to all patriotic Belizeans. - Any mistake or miscalculation can lead us to destruction.

Let us first begin by saying that the Belizean - people finally regained their power of the vote, when they went to the polls in 1984. It was a bold decision which shocked the world, for it was erroneously believed, or so some people were led to believe, that the PUP could not lose an election. George Price, who had been in power for thirty odd years , had taken Belize and Belizeans for granted and held the country hostage to his whims. Surrounded by drones and leftist co-horts, he had the country in terror-like fashions.

Likewise it is public-- knowledge that the P. U. P. made a mockery of democracy and was moving like a thunder-bolt towards communism. Five more years of this rule and Belize would have become a full Russian -Cuban satellite. The documents and pacts had already been signed and Belize was on the verge of a Communist take over.This would have been a bloody war, in which brother would be fighting against brother, - for this is the communist policy.

Presently we are gliding on a peaceful street, but don't close your eyes and ears for there are amongst us, very desperate men, who would like to regain that power at any cost. There are hidden and sinister plans by these demons to destabilize the country, to create hatred amongst races, organization and to incite violence.

We therefore warn you, that the worst thing that could ever happen to Belize is for the PUP to ever regain power. These men are desperate and would return with vengeance. Just by reading their Belize Times and other clandestine communist propaganda sheet, one can see that these people will be merciless, if they would ever get back in power.

From leaks within their ranks it is known that they have plans on the draw-board to introduce a repressive system, which would take away all our civil liberties. [As a reminder to the forgetful-Do you remember the law that almost passed, whereby the BDF was to be empowered to search, arrest and brutalize? Do you remember the law which would introduce trial without jury under such persons, the likes of Judge Moe? Have you forgotten the merciless murders in Corozal and Orange Walk? Have you forgotten, the thousands of refugees that the PUP brought in a move to outvote Belizeans? Have you forgotten the Heads of Agreement which George Price and Company signed? Did you know of a secret military pact with Cuba, similar to the one signed by Maurice Bishop ? Have you forgotten Alvin August' death? Have you forgotten the Misa Campesina by Nicaraguans trying to mock our religious denominations? Have you forgotten the visits to Russia, East Germany, Cuba etc. by these TRAITORS? Have you forgotten these and many more?

Well Belizeans, this is just a reminder and an exhortation that the worst thing that could ever happen is for Belize to fall under a barbaric Communist regime.

The PUP in its new drive will deceitfully preach about God, about democracy, about justice, about national unity, about liberation BUT their underground movement is to fool the people to fall in the political trap of their so called Peaceful Belizean Revolution. God save us all.

/9317
CSO: 3298/366

BELIZE

BRIEFS

ENVOY TO CENTRAL AMERICA--Belize City, Fri, Feb 21--The Ministry of Foreign Affairs has announced that Santiago Perdomo will be appointed Belize's non-resident Ambassador to Central America and Panama. Mr Perdomo, a former PUP Minister who resigned from that party in 1978, was the UDP Director of Organization during the 1984 general election campaign which swept the UDP to power. The appointment, which will result in greater diplomatic links for Belize with Honduras, Nicaragua, Salvador, Costa Rica and Panama, amount to vindication of a sorts for Mr Perdomo. He was scheduled to be Belize's new Ambassador to the United Nations shortly after the December 1984 change of government, but the UDP quickly cancelled the offer amidst reports that San was a "security risk." [Text] [Belize City AMANDALA in English 21 Feb 86 p 1] /9317

CSO: 3298/366

ADN DEPUTY LEADER DISAGREES WITH PARTY POLICIES

PY141832 La Paz Cadena Panamericana in Spanish 1130 GMT 14 Mar 86

[Text] Nationalist Democratic Action [ADN] Deputy Eudoro Galindo Anze has decided to retreat to the rank and file. Galindo Anze has addressed an open letter to ADN leader General Hugo Banzer Suarez, who is currently in the United States. The ADN leadership has declined to make any comments yet on the contents of the letter, but any hint of a party split has been ruled out.

Eudoro Galindo makes a few comments on the letter announcing that he is retreating to the rank and file.

[Begin Galindo recording] The letter I have released today explains some of the background of [words indistinct]. First of all, the one referring to the party's internal life.

The ADN is the largest party in Bolivia, and among the people belonging to the party there are men and women from all over the country and from various social and economic classes who have put their faith in an ideology, in a platform, and in the people representing the party leadership.

Recently, the party has been neglecting organizational and recruiting activities, as well as leadership training. I disagree with this attitude, and I feel that there is a certain dissatisfaction among the party members.

The second question refers to mistakes which I consider have been committed in the actions of the party leadership. Also, concerning the administration [words indistinct] the intention expressed in the democratic pact. [end recording]

There is clearly disagreement over the democratic pact the ADN has signed with the MNR [Nationalist Revolutionary Movement]. Here are Eudoro Galindo's comments.

[Begin Galindo recording] I repeat, mistakes have been made. In the first place, the failure to take a stand regarding the education problems, the floods, the reactivation of the country's productive apparatus, and the repeated postponements of congressional activities. On the other hand, the mistaken attitudes, such as the lack of discretion during the trial of General Luis Garcia Meza.

The third reason concerns the ADN's political future. We are managing ourselves, I repeat, in a way that is not in agreement with the sentiments of the ADN members. We have a dangerous relationship with the MNR government, where we could be held accountable for all the liabilities involved in the actions of a government marked by the deep internal contradictions and problems of the MNR, and it will be very difficult for us to share any merits this government may eventually produce. [end recording]

These were comments by ADN Deputy leader Eudoro Galindo, who has decided to retreat to the party rank and file.

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CSO: 3348/460

BOLIVIA

BRIEFS

GOVERNMENT WARNS LABOR UNIONS--La Paz, 1 Mar (EFE)--Bolivian Information Minister Herman Antelo today remarked that the government will pursue legal actions against labor unions and organizations that stage strikes and stoppages, in view of the wave of such actions sweeping the country. The protests of labor unions and other organizations are prompted by the government's staunch decision to maintain the salary freeze despite the fact that their purchasing power has been declining, and to reduce the budget allocations for the nine departments of the country. The minister said that the strikes and stoppages are "an attack on the economy of the state and a violation of institutional order," and warned that these actions will be severely punished. He added: "The government is open to dialogue with all sectors within the framework of the Constitution but it will not accept any kind of pressure." [Excerpt] [Madrid EFE in Spanish 0426 GMT 2 Mar 86 PY] /7358

LAKE TITICACA PROPOSAL REJECTED--La Paz, 12 Mar (AFP)--Bolivian Defense Minister Luis Fernando Valle said here today that neither the Bolivian Government nor the country will accept a proposal to open an outlet from Lake Titicaca into the Desaguadero river. The proposal to use explosives to open an outlet from Lake Titicaca, this highest lake in the world located on the Bolivian Peruvian border, was made by Peruvian authorities who had previously asked to discuss the issue with their Bolivian colleagues. The explosives would be placed in three concrete structures, part of an old bridge over the Desaguadero river, which block the drainage of the waters of Lake Titicaca. The problem is that the explosions might cause uncontrollable overflow of Lake Titicaca and destroy several towns in Oruro Department in Southewestern Bolivia). Defense Minister Valle said that this proposal, was made in view of the floods caused by the high level of water in the lake which have left about 140,000 people without homes, crops or animals. The proposal will only be adopted on conclusion of satisfactory scientific studies, and if there is no threat to any town. [Text] [Paris AFP in Spanish 1444 GMT 12 Mar 86 PY] /7358

PLO DONATES $5,000--The Palestine Liberation Organization has donated $5,000 to assist the flood victims. This was announced in a press communique forwarded to Radio Panamericana by the official PLO Mission in La Paz. The communique states the following: In view of the difficult situation being experienced by Bolivia, a situation that is worsening as a result of the catastrophic consequences of the floods in La Paz Department, the PLO, on behalf of the Palestinian people and through the official PLO Mission in this brotherly country, expresses its deep concern over the catastrophic damage caused at the human and economic level and sympathizes with the brotherly Bolivian people and friendly government in these circumstances of national distress, especially with the poorer sectors who are directly suffering the consequences of the floods. The communique released by the PLO Mission in La Paz adds that at this difficult time our human values demand from us that we morally and financially sympathize with the brotherly Bolivian people, joining the solidarity campaign held to assist the victims. Therefore, upon being informed about the situation currently prevailing in Bolivia, PLO Executive Committee Chairman Yasir 'Arafat immediately instructed that the mission to cooperate by donating $5,000, which will be delivered to the Foreign Ministry. [Text] [La Paz Cadena Panamericana in Spanish 1700 GMT 12 Mar 86 PY] /7358

POLICE TEARGAS STUDENT DEMONSTRATION--The community has again been taken aback by the police behavior. A demonstration staged by students from private and Catholic schools in solidarity with the situation in the state schools has been repressed with tear gas, just as it would have been under a harsh, dictatorship. The students from private schools, mostly girls, did not even manage as much noise as was made in past demonstrations by students from state schools. Nevertheless, they were repressed by the police, who used tear gas even though demonstrations have not been banned since the state of siege was [word indistinct] a long time ago. All this is contradictory because in the noisy protest march last Wednesday, when several petards went off shaking the windows of downtown buildings, the police did not fire a single tear gas cannister. This morning, however, they staged a truly astonishing deployment. The press closely monitored the demonstration held by the private school students and the demonstration did not in the least disrupt the public order. Therefore, the police repression is not justified, while the protest of the teachers, school directors, and parents of students of the so-called 'collecting' schools is fully justified. [Text] [La Paz Cadena Panamericana in Spanish 1700 GMT 14 Mar 86 PY] /7358

$57 MILLION IMF STANDBY CREDIT--La Paz, 17 Mar (AFP)--Bolivian Planning Minister Gonzalo Sanchez de Lozada and Finance Minister Juan Careaga today reported that the Bolivian Government and the IMF signed a letter of intent by which the IMF will grant Bolivia a $57-million standby credit. The credit, which is meant to stabilize the Bolivian economy and allow the inflow of new credits worth $300 from other organizations, is subject to approval by the IMF management in the next few weeks. The IMF demanded that the following conditions be complied with prior to the signing of a letter of intent: that the fiscal deficit should not be greater than 5.8 percent of the GDP, that tax collections increase to 12 percent of the GDP, that inflation not exceed 36 percent in 1986, that customs duties collections reach 2 percent of the GDP, that income tax collections reach 1.5 percent of the GDP, and that the country reach a 3-percent annual growth rate. IMF spokesmen told AFP that the organization's decision to help Bolivia is a compensation for the collapse in the price of tin, the main mineral export of Bolivia. [Text] [Paris AFP in Spanish 1415 GMT 17 Mar 86 PY] /7358

POTOSI SUPPORTS ADN DISSIDENT--The Nationalist Democratic Action leadership in Potosi Department has commented on the resignation of Eudoro Galindo, national deputy chief of the ADN, in a statement delivered to the media. In support of Galindo, it says: The party members, aware that arrogant foreign philosophies imported from abroad are destroying Bolivian nationalism--and obeying their principles of order, peace, and work--fully support the position taken by national deputy chief Eudoro Galindo Anze who, as an active grassroots leader, now wishes to guide the party of the large majority along the path of national and democratic dignity with a sound party and doctrinaire criterion. The document is signed by departmental chief (Raul Tarrico); Dr (Ramiro Loiz), party discipline supervisor; (Rolando Gonzalez); (Ramiro Ruiz); and (Teresa Conde). [Relay from Potosi by an unidentified Radio Panamericana correspondent] [Text] [La Paz Cadena Panamericana in Spanish 1130 GMT 15 Mar 86 PY] /7358

CSO: 3348/460

BRAZIL

DISSOLUTION OF DEMOCRATIC ALLIANCE BY NOVEMBER PROJECTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Feb 86 p 3

[Text] From the way things are going, with the PMDB dissociating itself from the government more and more without actually breaking away, there is no way for the Democratic Alliance to function, or even survive. Beginning with the upcoming November elections. By then, unless there is an unusual change, the PMDB and the PFL will present themselves as united in only one state or another. In most states they will be the major adversaries, pitting their gubernatorial candidates and their candidates for two senatorial seats against each other, not to mention those who are running for federal and state representative seats.

Only in the November elections? Don't kid yourself. The picture will become even worse when the presidential elections come up, possibly in 1988. All indications are that the PMDB will have one candidate and the PFL another. Because of issues of political interest, and also of doctrine, dogmatism, and ideology, the Democratic Alliance will become a political fiction, which it already is; it will be completely and integrally unviable.

At the state level, the existing divergencies between liberal and PMDB candidates have been there for some time, but became fundamental starting with the PMBD reaction to ministerial reform. Not to mention Sao Paulo, where for a long time Olavo Setubal of the PFL, Orestes Quereia of the PMDB, Paulo Maluf of the PDS, and who ever Luis Ignacio Lula da Silva decides to choose for the PT have all been in place. In Minas, every day the liberals find new reasons to attack and be attacked by the governor, Helio Garcia, who is ready to launch Tancredo Augusto, the son of Tancredo Neves, as his successor. In Rio de Janeiro, not even the reinforced PDT is able to serve as the common enemy. In Pernambuco, dialogue has disappeared, dividing the governor, Roberto Magalhaes, and the representative, Miguel Arraes. In Parana, no rapprochement is possible, and in Rio Grande do Sul it is even worse. Add Goias, Ceara, Bahia, and the other states, and you will have the recipe for a dish of confrontation to be served at almost every table.

Even without being completely defined, the electoral panorama makes the relationship between the PMDB and the PFL unviable; they have broken over the quest for votes and for growth and affirmation, and now also over the choice of a new minister. According to President Sarney, the government wanted to be the result of support from the two parties, but he relies more and more upon the PFL, even though formally he ought not to lean one way or the other during the campaigns. Formally, it is important to repeat, because in practice the liberal ministers will be much more disposed to help their own candidates. The PMBD ministers, although they are not confirmed by, are at least helped by, their own party, and, as a result, do not have to engage fully in the electoral process.

Within the context of this year's congressional efforts, weakened probably by the electoral campaigns, the PMDB and the PFL are going to confront each other, even though neither will have any impact upon the activities of the National Assembly next year. And what is especially important to this year's elections is the prediction that the members of the PMBD who are most likely to win are those who have been most critical of the government.

Recognizing that this is the case, the so-called independent left of Ulysses Guimaraes' party is already seeking an alliance with like-minded elements, beginning with Governor Leonel Brizola. This group, which calls itself the Progressive Front, will want to create a constitution which fits with its principles, described as "advanced" and reformist. The PFL, with the tacit or implicit support of the PDS, will take on a neutralizing role, and they will be successful if they can gain support from the PMBD moderates, and if there is a sufficient number of such moderates. On which side President Jose Sarney will place himself is quite clear.

If this is the present forecast of events to come, how can one help but think that the presidential succession will follow the same course. It must!

So the PFL will have to have its own candidate, and at this point he would appear to be Minister Marco Maciel, even though Aureliano Chaves has some chance. In the PMDB, the natural choice would be Ulysses Guimaraes. Leonel Brizola will certainly vie for the PDT spot, with Janio Quadros running for the PTB in spite of his having retired. It only remains to be seen if the PDS will insist upon Paulo Maluf, because the PT will certainly enter the battle on its own terms. If two or three casual candidates are added, thrust forward by minor parties or ideological forces, the result will be one of the most mixed bags of succession in the country's history.

The electoral laws, wisely changed in May of last year, did not only reestablish direct presidential elections. They provide also for the principle of absolute majority; i.e., if none of the parties achieves the target of one more than half of the valid votes cast, there will be a second round in which only the two which gained the most votes will compete. At that point, the climax of the national debate will be reached, and some people assume that it will be ideological. But it doesn't matter, because the "combinations" will be varied. Ulysses Guimaraes in first place and Leonel Brizola in second would bring about a forced coalition of the PFL and the PMDB, the only circumstance under which the tattered Democratic Alliance would be revived. But Marco Maciel in first place and Leonel Brizola in second, or vice versa? Or even Ulysses Guimaraes out front, and Marco Maciel immediately behind? The risk for the two parties responsible for establishing the New Republic is immense. It is a permanent risk, no matter what the scenario.

All in all, the Democratic Alliance is through. It is a dead letter. It was useful, but it is no longer so, in spite of President Jose Sarney's hopes.

12857/12951
CSO: 3342/79

BRAZIL

FUNARO DENIES PLANNED LEAVE OF ABSENCE FOR TREATMENT IN MAY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Feb 86 p 37

[Text] Finance Minister Dilson Funaro yesterday denied vehemently that he would take a leave of absence from his position in May in order to continue treatment in the United States for cancer of the lymphatic system. The announcement that he would do so appeared yesterday in the CORREIO BRAZILIENSE. "The announcement of my departure has no basis. It is not true. It seems that some people know more than my physicians," said the minister.

The denial was made by Funaro late in the morning when he arrived at the Finance Ministry from a meeting with President Jose Sarney and the "house ministers." In the afternoon, the spokesman for the ministry, Marco Antonio Diniz Brandao, also commented on the announcement, pointing out that the finance minister, at the beginning of last month, shortly after confirming the news that his illness had recurred, promised to reveal anything that was new with relation to his treatment. The spokesman observed that if the announcement regarding the leave of absence were true, Funaro would have announced it or confirmed it.

According to the Brasilia newspaper, Funaro was to travel to the United States in order to complete the second stage of treatment for his illness. He was to move from the chemotherapy phase to radiology. This would necessitate the minister's interruption of his work schedule temporarily. The paper added that in the event of Funaro's absence, the ministry would be run by Secretary-General of Portfolio Joao Batista de Abreu. The authority for economic policy would go to Planning Minister Joao Sayad until the treatment was completed.

Funaro was able to overcome the first phase of his illness in 1983 and 1984. The treatment was prolonged and required him to go to the United States several times for chemotherapy and radiology sessions. With the illness in abeyance, Funaro returned to his normal activities. He was invited by President Jose Sarney to assume the post of minister of finance in place of Francisco Dornelles. At the end of last December, a routine examination showed that the cancer had returned, still in an initial phase.

12857/12951
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BRAZIL

ARMY MINISTER SCORES BRIZOLA CAMPAIGN FOR DIRECT ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Feb 86 p 4

[Interview of Minister of the Army Gen Leonidas Pires Goncalves on 27 February in Porto Alegre]

[Text] Yesterday in Porto Alegre, Minister of the Army General Leonidas Pires Goncalves condemned Rio de Janeiro Governor Leonel Brizola's (PDT) campaign for direct elections for the presidency of the republic this year, and the deliberations of certain sectors of the PMDB with regard to a constitutional reduction of President Sarney's term to 3 years, which would lead to a presidential election in 1987. The minister declared that it was "admissible" to reduce the presidential term to 4 years, but added that a shorter period would constitute an unjustifiable impeachment. Gen Leonidas Pires Goncalves said also that he trusts that the leaders of the PMDB and the PFL will have a "sense of political responsibility" and of "patriotism," and not break up the Democratic Alliance, because this would destabilize the country. All in all, the minister stated that the current political turbulence is natural and presents no risk of political regression.

In addition to giving a collective interview at Salgado Filho Airport on his arrival from Brasilia in the morning, the minister spoke with the Porto Alegre branch of O ESTADO DE SAO PAULO and the JORNAL DA TARDE.

The interview follows:

[Question] How do you analyze the situation with regard to the supporting party of the government, the Democratic Alliance, which some party leaders consider already to have been split?

[Answer] The government, the New Republic, has as a base what I call a large supporting beam--the Democratic Alliance. This beam is supported, in turn, by two pillars. One is the PMDB, and the other is the Frente Liberal. I have perfect confidence that the men who are allied with one or the other of these pillars will have a sense of functional responsibility, that is, political, and will be patriotic enough to see that they cannot destabilize the beam, because to do so would be to destabilize Brazil. It is for this reason that I have faith that nothing bad will happen.

[Question] Aren't the manifestations of a split in the Democratic Alliance that have been happening, especially on the part of the PMDB, the result of party decisions? Or are they just isolated events?

[Answer] The only circumstance under which I see the beam (the Democratic Alliance) developing a fissure or a rupture is if the promises made by the two pillars (PMBD and PFL) have been broken. Those promises are intact. The government has not only respected them, it has followed them. Now, if this is true, then minor matters and particulars cannot be important, and certainly will not exist.

[Question] Many of the promises made at the time of the formation of the Democratic Alliance have already been accomplished, but there are some politicians who feel that there are many yet to be delivered. What is your opinion?

[Answer] The political life of a nation is dynamic. I believe and admit that new aspects are added to the original promises. And the same harmony and the same understanding ought to be brought to these new aspects as there was previously. And I'll tell you something else: it is possible that other good patriots will align themselves with those who currently are the supporting beam of the government. Because we have to consider--it is a simple, military conviction--that Brazil is equal to anything.

[Question] There has been such discussion in political circles of the issue of the duration of President Sarney's term. Some feel that he has an acquired right to a 6 year term, and that this can be changed only with his agreement. Other want an election in '87, or even '86. What is your position?

[Answer] What the constitution stipulates, as we all know, is that President Sarney's term is 6 years. Both Tancredo Neves and President Sarney have admitted that the voters could reduce this period to 4 years. I also feel that this is admissible. Less than that I would consider to be an impeachment of President Sarney--some want to reduce it to less than 4 years, but they are not the voters. For a man who is showing a high sense of responsibility, and who shows a dedication every day to performing in an exemplary manner, and who has shown great political ability, this attitude represents an injustice and an impropriety. I know that the majority of the Brazilian people are not going to let that happen.

[Question] This is the first political unrest that the New Republic has experienced. Do you think that it is serious?

[Answer] I think that it has a seriousness that is predictable in a country of our size that has experienced the political oscillations of the past 2 or 3 years, and I feel that it is natural. There is no flight without some turbulence, and, when all is said and done, this is a political flight for the country.

[Question] Can the more radical political proposals, especially with regard to the presidential term and the party base of the government, lead to regression or the risk of regression?

[Answer] No. I think that the Brazilian people are "drenched" with the democratic spirit. So, I have no fear of that.

At the collective interview given on his arrival, the minister of the army, in addition to making known his feelings against the reduction of term for President Sarney to less than 4 years, and speaking of essentially military matters, was asked how he felt about the statements of Senator Fernando Henrique Cardoso that the government is being influenced by the military from the moderate wing who are friends of the president. "That is his opinion. I can tell you that the Army does not command the government. The Army today is dedicated to its professional activities, so that it can become more and more an instrument capable of achieving its destiny," he assured them.

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BRAZIL

PLAN TO DESTABILIZE FINANCIAL SYSTEM REPORTED

PY121327 Rio de Janeiro O GLOBO in Portuguese 7 Mar 86 p 25

[Text] Brasilia--In a dramatic tone of voice, Central Bank President Fernao Bracher yesterday reported the existence of an "organized mechanism" that is seeking to destabilize the financial system and discredit the government's program of economic changes. Even though he refused to give details, Bracher said that the rumors are so serious that for the first time he has had to ask "the appropriate authorities" to conduct an investigation.

He said: It is a well-coordinated mechanism operated by experts. I am furious. I had not realized we were dealing with professionals. I want to congratulate them.

Bracher did not endorse the theory of a conspiracy, because it would be "the easiest conclusion," but stressed that "there are many people involved, because they will make a lot of money with all this."

Bracher's denunciation came unexpectedly. As an interview with FENABAN (National Bank Federation) President Roberto Bonhausen was coming to an end, an assistant announced that Bracher was coming from his office on the 20th floor and that he would host a press conference on the first floor. This is what he said:

Rumors are circulating, and I am concerned about them because the financial system is absolutely sound. There is a group of people who want to disrupt this program and prevent it from fulfilling its objectives. To this end, they have attacked the financial system. But the financial system, which is supported by the Central Bank, is absolutely sound. If someone says the opposite, it is because he has received wrong information or because he has bad intentions. I ask for everyone's cooperation to prevent the creation of an atmosphere of distrust, because there is no reason for distrust. The system is sound, and it has the support of the government.

Bracher asked the people to cooperate and "report and charge" those who circulate rumors on difficulties that this bank or any other may be facing in connection with the economic stabilization program.

However, during the press conference he admitted that the banks will have to undergo an "operational rationalization" process to adjust themselves to the fact that there will be no more monetary corrections, which was their main source of profit. He said interest rates will naturally drop as a result of the new market conditions.

He added: There will be a money surplus because of increased demand deposits and reduced investment in speculation.

The banks will have to use that money to invest in government securities, which yield 15 percent a year, or to grant loans at competitive interest rates, which should be lower than the current ones.

/8918
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BRAZIL

NORTH KOREA SEEKS TECHNOLOGY EXCHANGE, INCREASED TRADE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Mar 86 p 2

[Text] Brazil and North Korea may establish diplomatic relations on the basis of a commercial exchange program between the two countries, according to representatives of the Committee for the Promotion of International Commerce of the People's Democratic Republic of Korea, who yesterday began a round of visits with this objective in mind.

The visitors, who are traveling under the leadership of Paw Gyong Rak, were at the Senate yesterday afternoon, where they were received by the first secretary, Eneas Faria (PMDB-PR); they announced their intention that North Korea import soy meal, soy oil, sugar, and other articles, in exchange for metallurgical products such as zinc and nonferrous metals.

According to what Gyong Rak told Eneas Faria, North Korea is also interested in an exchange of technology with Brazil, especially in the area of petroleum and in the electrical and electronic sectors. One of the members of the delegation, Cho Ki Yong, is a petroleum technician, and he will probably establish contact this week with Petrobas. In the area of electronic and electrical products, the North Koreans have already developed contacts with the industrial park at Curitiba, which they visited prior to arriving at Brasilia. The director of the Madebras Trading Company, Odone Fortes Martins, from the Parana capital, accompanied the Koreans.

During yesterday's presentation to First Secretary Eneas Faria, Gyong Rak explained that North Korea is engaged in an audacious project designed to extend its land area by 300,000 hectares into the sea. Up until now, the project has already succeeded in an extension of 100,000 hectares along the coastline, and it is expected that the target of 300,000 hectares will be completed by the end of the 80's.

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BRAZIL

BRIEFS

INFLATION FIGURES--The Brazilian Institute of Geography and Statistics has reported that the inflation rate was 14.36 percent in February, compared to 16.23 percent in January. The accumulated inflation rate for the period March 1985 to February 1986 totals 255.16 percent. [Summary] [Brasilia Domestic Service in Portuguese 2100 GMT 27 Feb 86 PY] /8918

SARNEY TO VISIT PORTUGAL--President Jose Sarney on 3 May will begin a trip to Portugal to discuss political projects and the future with President Mario Soares. He will also visit Cape Verde, in Africa, to consolidate friendship ties and to reaffirm his rejection of the racist regime. [Excerpt] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 14 Mar 86 PY] /8918

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CHILE

STUDENT MOVEMENT SEEN INCREASINGLY POTENT FORCE

Santiago MENSAJE in Spanish Dec 85 pp 508-510

[By Esteban Valenzuela and Eduardo Silva, of the Society of Jesus]

[Text] The university student movement has been turned into a social actor of increasingly greater relevance in the course of democratizing Chile and rebuilding powerful, social organizations which are essential for the future. As the student movement has many facets, we may describe its principal characteristics--both the progress it has made as well as the difficulties it is going through. We may describe, in particular, its difficult task of stimulating a transition to democracy in the universities, thus making its special contribution to the national evolution toward democracy. No doubt the central aspect of the student movement (ME) which has developed during these years of authoritarian government has been its unquestionable capacity to mobilize people for national democratic demands and its inevitable transformation into a significant social and political factor. This has been due to the lack of a legal political arena and to structural problems which have affected the trade union movement, preventing it from becoming a center for necessary changes in the political system.

The Development of Federations

The ME went through the stage of pre-institutional organization--which was concentrated in cultural centers and committees to promote student participation--beginning with the start of the protest movement in May 1983. These early forms of organization provided definitive encouragement to the development of mass student groups and to the process of rebuilding centers for democratic students and directly elected student federations. The university students had the capacity to concentrate their energies, not only on the preparation of "the monthly protest meeting" but they also combined a form of social mobilization with the establishment of federations which unquestionably represented all students, in which each one of the various sectors of the student body could take part in decision making. In this way the ME ceased being "a movement of the most politically aware" which expressed itself occasionally at cultural demonstrations in favor of human rights or university autonomy. It turned itself into a movement representing the majority of the students which succeeded in overcoming efforts by university authorities to split the students into small groups and to subject them to repression.

The initiative for the rebuilding of the student federations originated in the provinces. This was how the Student Federation of Concepcion (FEC) and the Student Federation of the Catholic University of Valparaiso (FEUC-V) came into being. This process became a national movement, and in October 1984 as well as in May 1985 the opposition won direct elections in the two principal federations: the FECH [Chilean Federation of Students] and the FEUC in Santiago [Student Federation of the Catholic University of Santiago]. In this way the concept of student organization as a kind of "guild" was definitively defeated in the universities. The ME, despite continuing repression and, in some cases, a refusal by the authorities to recognize student organizations, consolidated the process of rebuilding the student federations. Now almost all of the universities, professional institutes, and regional student centers have held federation elections. (The last two institutions in which elections were held were the University of Talca and USACH, formerly known as the State Technical University.) Occurring at the same time as this process was the birth of the Chilean Council of Student Federations (CONFECH), established a few days before the promulgation of the state of siege in November 1984. This organization, which provides leadership for the university movement, includes 25 student federations, all of them controlled by the opposition to the government.

In the majority of the federations opposition political forces have won out as a general rule. Nevertheless, tendencies have been seen which lead to the dispersion of the principal opposition groups, especially in connection with discussions on the way to direct the mobilization of the students and, more recently, with the promulgation of the National Agreement for the Transition to Full Democracy. The principal political force within the ME is the Christian Democracy group (it presides over the principal university federations), followed by the Communist Party (particularly in the case of provincial student federations). There is also a significant presence of socialist groups: the Socialist Bloc (made up of MAPU [United Popular Action Movement] and the PS [Socialist Party] - Briones Faction), the PS - Almeyda Faction, and the IC [Christian Left]. Regarding movements of the Right, the most important are the traditional groups (the MUN [National Unity Movement] and the PN [National Party]. Student guilds and nationalist groups are in the minority.

Partial Demands

One of the virtues of the ME as compared to other social movements has been its ability to make partial or limited demands as part of its democratic duties. That is why the movement has not remained isolated in the development of national democratic demands which, when the protests are over, began to produce frustration and a feeling of ineffectiveness. For that reason the students have made demands which can be achieved and which strengthen their capacity to speak for the majority. These demands range from essentially economic petitions (for scholarships and loans) to requests for the respect of human rights (freedom for the students and the readmission of expelled students) to academic issues (better facilities and a greater degree of pluralism) to the recognition of student organizations, and even include petitions to regain "university" status for their training centers (as in the case of the occupational institutes).

For a Process of Transition in the Universities

However, there is no doubt that the most important question is whether the ME has been able to develop a program for the reestablishment of democracy in the universities which would be effective in the event of a political transition. This has been done in only a few federations, which have been able to make progress and move forward in this direction. It is necessary to take into account the fact that a process of transition in the universities necessarily involves the possibility of developing an understanding and concerted action between the ME and members of the faculty regarding a proposal which, in addition to being viable, should include the minimum steps to achieve a real transition or university normalization. At this point ME groups which have made excessive demands have gone beyond acceptable limits. That is, if the students raise only partial demands, they will not be able to provide basic answers to the problems of the university. Hence the importance of ensuring tht the national level of the ME is capable of preparing a proposal for a period of transition to the university community as a whole. This does not presently exist in any strict sense but must be recreated.

It is at the University of Chile that the ME has made the most progress in this respect. An example of this is the fact that two of the faculties have refused to accept their government-appointed deans, beginning a process of providing these faculties with participatory arrangements for the choice of their own senior authorities. However, this has been possible, thanks to two developments. The FECH, for its part, has prepared a "Proposal of Change for the University of Chile" which is sufficiently realistic to avoid arousing the suspicions of the academics and which brings together almost all of the students in support of the strategy contained in it. This proposal was accompanied by a mobilization of the students which, in the cases of the Faculties of Medicine and Engineering, was sufficiently large to underline the lack of legitimacy in the military occupation of the university. And, on the part of the Association of Academics of the University of Chile, this has led to a determined effort to achieve the normalization of the university.

In the case of the Catholic University the transition has been more complex. In particular, this is due to the central role which the Catholic Church plays in it. The holding of a session of the Plenary Student Council took place in a context providing substance to the process of transition to normality at the university. The discussion and application of the program which the Plenary Student Council prepared may make necessary the holding of a council session which will now bring together the entire university community. The Association of Professors feels itself increasingly involved. The Catholic University does not have the degree of cohesion and mobilization achieved at the University of Chile, but it shows signs of becoming sensitive to the university crisis. Integration between professors and students, a fundamental factor in achieving the release of the designated student leaders, appears to be a priority task for the future of the Catholic University. Finally, we should point out the fact that the university is a Catholic and pontifical institution. Efforts have been made by the students (holding a seminar on the practice of the Catholic faith) and by the professors (through the organization of committees) to reflect in critical fashion on the consequences and implications which this basic condition implies and thus to be able to judge in the light of this reflection what the Catholic University has been over the last few years. Many of the ideas from the time of the Reformation are still fully valid and applicable. Problems such as the relationship with the local church and the Vatican, the ability of the Church to encourage the development of a culture which permits a dialogue and a meeting point between the traditional faith and science, its degree of commitment and its openness to the decisions made by the Latin American bishops--these, among other matters, appear to be urgent questions. The search for normality at the Catholic University has been greatly strengthened by its Catholic character. This makes it essential for the Conference of Catholic Bishops to make a statement on the status of the Catholic University of Chile and on the other Catholic universities in the country.

An Actor on the National Scene

As we were saying at the beginning of this article, the most significant development has been the emergence of the ME as a decisive actor on the national scene. In the presently unstructured state of Chilean society the forces deployed for the mobilization of the ME have appeared to have been "strengthened." With the development of the protests, these began to be concentrated on "university actions during the day" and "barricades set up by young people during the night." This has led to the fact that senior trade union leaders in the National Workers Commando gave privileged status during 1985 to those who were called upon for social mobilization with the student federations, given the lack of agreement with other sectors such as merchants, transport personnel, and occupational training schools. The result of this was the manhunt carried out against trade union, student, and popular leaders, as a result of the call for a day of mobilization for social claims, which was held on 4 September. And a sign of the strength developed by the ME was the release of the student leaders, thanks to an enormous mobilization of students, the greatest assembly of students recorded during these 12 years under the military regime. And we said that the strength of the ME had been "increased," as a result of the lack of organization and ability to negotiate with the state on the part of the people's movement. And, above all, this was the result of the structural problems of Chilean authoritarian capitalism--a high rate of unemployment, the weakness of the trade unions, and the repression of the people. These factors inhibit a more articulate expression of the views of the middle classes and of the workers' movement.

The other reason for the importance of the ME at the national level is the lack of "institutional space for political confrontation." That means that this consideration has turned the university federations into the most clearly marked "center for measuring the strength" of the various political groups. An eloquent demonstration of this point was the last election held by the FECH, where the freedom of the ME was diluted by the "need" for the various political parties to display their various policies. Hence the national importance attached to the FECH election and the extensive coverage of it in the information media. Furthermore, the ME is providing the country with "new faces" for the reestablishment of a future generation of political leaders, since the politics of youth are basically played out in the university context.

Some Challenges

The principal question for the future will be the capacity of the ME to implement, through an "intelligent strategy," what we call "its sequence of partial demands," the encouragement it will give to "the transition phase in the universities," and the struggle "for democracy in Chile." Now, the success it achieves in this effort will not only depend on the capability of the various student social and political organizations to work together. The implementation of these strategies will be directly linked to how other sectors of the university community function and to the development of political figures at the national level. These different levels in the struggle of the university movement interact. They define each other and provide each other with mutual assistance.

As we stated previously, the ME in opposition will be stronger in terms of its unity and more effective to the extent that it makes use of a method for integrating the majority. When we speak of unity, we are referring to adhesion to a program and a form which the students themselves will determine. Nevertheless, it can be said that the most successful form of unity for the ME has been developed within the context of the civic struggle, which excludes violent tactics which isolate student organizations. This may be summarized in the capacity of the ME to integrate into its efforts the academics and the right-wing elements within the ME. This means that they will support the demands made. This is not a matter of becoming involved in semntic or ideological discussions on violence or the integration of right-wing groups. Rather, it involves the capacity of determining what is more effective and convenient. This is what facilitates determining who is to be excluded, and it involves understanding the fact that a fully coherent university community will make a future transition period possible. This is what we could call an "Effective University Agreement."

Finally, we must insist on the importance of an ME at the national level, which will enter into history as one of the most generous social sectors in the democratization of Chile and, to the extent possible, as a victorious participant in society.

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CHILE

STUDENT ELECTIONS TAKE MEASURE OF POLITICAL CURRENTS

Santiago MENSAJE in Spanish Dec 85 pp 488-490

[Article by Jose Joaquin Brunner]

[Text] Student elections have acquired a disproportionate visibility, due to the fact that they provide the country with one of the few places where the influence of the various political groups can be measured. In general, the results show a clear predominance of the forces of the Center and the Left which are identified with the opposition. In fact, opposition alliances control all of the principal student federations throughout the country, both in public as well as in private universities, in the metropolitan areas and in the countryside, in old as well as in new institutions.

If we study the electoral results during 1985, we may arrive at some preliminary conclusions:

(1) Christian Democracy is the strongest student force and, in general, in 1985 it maintained the strength it had in 1984. Compared to 1972, its electoral strength increased at the University of Concepcion and, to a lesser extent, at the Catholic University of Valparaiso and the Catholic University of Chile.

(2) The Left is keeping its strong ppresence in all of the universities. The electoral lists of the Popular Democratic Movement (MDP) regularly receive a majority of the leftist vote. The Socialist Bloc, made up of socialist elements and the MAPU [United Popular Action Movement], has fluctuated between 5 and 10 percent in the various elections, but it has only slight influence in several important faculties of the principal universities. In general, the Left increased its vote between 1984 and 1985. Compared to 1972, its performance has improved at the Catholic universities but has declined at the Universities of Chile and Concepcion.

(3) The Right is weak in the new and regional institutions, and in Santiago its electoral support takes two forms: one, rather more independent of the government (the University Front), which is predominant at the University of Chile, where it has grew by comparison with 1972 but declined slightly between 1984 and 1985; and the other, more official (the student guild type), which only has a significant voice at the Catholic University of Chile, where its vote declined between 1972 and 1985. The places where the right wing vote was traditionally weak have not changed: the Faculties of Sciences, Philosophy and Art of the University of Chile; the former Pedagogical Institute of the

University of Chile; and the present Santiago Professional Institute. In both of these institutions the students are members of the FECH.

Level of Political Activity

The attempt to depoliticize the student world, encouraged by the present regime, has unquestionably failed. As various analysts have pointed out, including some political leaders of the Right, instead of depoliticization the regime in fact has promoted the polarization of student attitudes. Some temporary phenomena have contributed to that: government intervention in the universities; poor university management by the majority of the rectors appointed by the government; the long period of forced hibernation to which institutions of higher education were subjected; the failure of the "student guild" form of organization promoted by the Right to offer an alternative to the political parties and their youth groups; and acts of repression against student leaders and university youth.

On the other hand the continued existence of political activity within the universities has deeper causes. What is happening is that these institutions have a high political potential by their very nature. The majority of the intellectuals of the country and a significant proportion of the young people likely to hold leadership positions in society are to be found at the universities. Now this combination would be enough by itself to turn the universities into centers for the discussion and expression of political ideas. However, in addition the universities concentrate a large number of students in a few places. These students communicate with each other easily and tend to form groups in accordance with their ideological preferences. By their very training the students are "externally oriented." They want to know what is happening around them. They want to listen to and criticize their elders. They want to participate in national life. They are concerned about their future entry into the labor market, into social organization, and into politics.

In short, to activate the political potential of the universities, "agitators" are not needed, nor is the encouragement of the political parties required. Political life is naturally to be found in the universities. The most interesting aspect is how to channel it.

Autonomy or Subordination

After the government failed in its effort to depoliticize the universities, there is now a risk that student politics will be wholly subordinated to the strategic interests of the political parties. The recent election in the FECH illustrates this risk. (This refers to the first round of this election.) It will be remembered that the Christian Democracy party and the Communist Party imposed on their respective youth groups a definition of the "National Agreement for the Transition to Full Democracy" which consisted of accepting or rejecting it. The result was that the united action which had been a major factor in the student movement until then was broken. This did not happen as a consequence of the university struggle itself.

As we have shown, political life has a life of its own in the universities. When objections were made to the direct intervention of the political parties in the student movement, no arguments were presented in favor of the depoliticization of the universities, which in fact could not be achieved, nor in favor of a flat and narrow student guild type of organization. The autonomy of the student movement (and the same consideration applies to the trade union movement, to the professional colleges and to guild type organizations) was raised as a specific condition for political life to be accepted in each social sphere, in an atmosphere of independence and as a function of the specific problems of the social group involved. Therefore, what was involved was avoiding having a single criterion (for example, in favor of or against the National Agreement for the Transition to Full Democracy) turned into a dividing line affecting all of society, separating one group of people from others, disregarding the particular features of each situation, institution, electoral circumstance, or tradition concerned.

If this principle had not been accepted, there would have been a serious risk of transferring to all social organizations the quarrels and battles in which the political parties are involved.

For their part social movements, if they wish to preserve their autonomy and unity, need to enter into political life, not as mere appendages of the political parties, but in accordance with the needs of their local area of activity. In this sense the student movement is still relatively weak and undeveloped. The positions it expresses to the university authorities are too general, are often rhetorical in tone and at times are poorly informed. They lack academic precision and do not propose viable goals capable of attracting the support of the professors and of public opinion.

Lessons from the FECH

The recent election (that is, the first round) in the FECH was a product of the previous situation--where the interventionist attitude of the political parties was added to the still underdeveloped characteristics of the student movement. Pending a final decision by the student body between the two winning lists--the Christian Democracy and the Social Democracy groups, on the one hand, and the MDP [Popular Democratic Movement], on the other, several interesting phenomena are already visible. They are:

(1) The almost unanimous repudiation of the present state of affairs at the University of Chile. In effect, no list undertook the defense of the university in its present condition, since it was taken over by the government. No list sought to defend the rector appointed by the government or the exclusion of any group from university life.

(2) The complete support given to the idea of giving back to the university its democratic and participative statute and providing room for the free discussion of ideas.

(3) The rejection by a majority of the students of a division of the student movement along purely political party lines. In fact, the Right expressed itself more effectively as a United Front which wishes to show that it is independent. The Christian Democracy group resisted until the last moment the suggestion that it should present itself as a single list. During the election the MDP did not raise the issue of a national uprising and the use of all methods of struggle.

Under these conditions it is not reasonable to suggest that the election results in the FECH can be projected to the national level. The university is a universe which is not very representative of the country. It is a purely educational institution, with its own, very special traditions, with a large number of youth coming for the most part from the middle class. These elections involve local leadership but not the destiny and the immediate future of the nation. Therefore, it would be difficult to draw from this election conclusions that would be valid for the whole country.

On the other hand, as we have shown, there are lessons which can be learned from a special situation like that affecting the FECH. The Military Government, in view of the massive repudiation which its university policies have generated and the isolated position in which it finds itself within the student movement, will be obliged to reconsider its position. From now on the university authorities will not be able to continue refusing to recognize the FECH, whose representative and legitimate character has been strengthened. In the light of these results the political parties will be able to study which are now the best ways of carrying on the political struggle. The student movement itself will have to think about how to restore its unity and how to strengthen its clearly university-oriented forms of expression. Public opinion will know how to evaluate the effects of government policy. Finally, the Armed Forces will have to think more seriously about how they can deal with a university situation which, with only a few exceptions is continuing to deteriorate or, in a few cases, remains static but has no prospects of improvement.

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PROFESSORS' ASSOCIATION CANDIDATES EXPOUND PLATFORMS

Santiago CAUCE in Spanish 3 Dec 85 pp 22-23

[Interview with Francisco Fuentes, leader of the Intrasigencia Democratica --Democratic Intransigence--list in the elections for national, regional, and local councils of professors; date and place not specified]

[Text] In December the College of Professors is holding elections. Four lists of candidates are in the running for national, regional, and local councils of professors. For the approximately 120,000 professors these elections are of enormous importance, since, going back to the military coup d'etat in 1973, the leaders of the teachers' guild, as in case of other organizations, have been appointed by the Pinochet government. The political breathing space which the workers have gained for the democratization of the country will make it possible to hold democratic elections in the teaching profession. However, things are still not very clear. The present leadership supports the government and was appointed by it. It is conducting these elections, organizing them as it wishes. The exact number of voters is still not known, nor are the names of those on the electoral register known. Anyone wishing to learn more about these matters must raise the matter in a letter to the Metropolitan Council.

For this reason many of the candidates are expressing concern, pointing out that the electoral situation should be clear before the voting begins. For his part Jorge Oliva, a candidate on List "D" of the Democratic Intransigence group, has let his concern be known regarding the arbitrary elimination of candidates which reportedly has affected his group in Arica Province. Osvaldo Verdugo, of the Alianza Democratica [Democratic Alliance] list, denounced the same kind of situation in Antofagasta and Iquique. In our issue No 49 we announced the candidates of two lists: Waldemar Cortes, of the Democracy and Humanism list (List "A") and Osvaldo Verdugo, for the Democratization list (List "C").

In this issue we interview Francisco Fuentes (List "D"). He is a teacher from Valparaiso and a former leader of the Chilean Federation of Educators and the Central Organization of Workers of Valparaiso. Francisco Fuentes stated that List "D" which he heads is composed of representatives of political groups which support the Democratic Intransigence party, among which are the MDP, the Communist Party, and the Mandujano faction of the Socialist Party, in addition to the Historic Socialists, the Christian Left, and the MAPU.

In short his program supports the passage of a statute covering the teaching profession in tune with the realities facing teachers and the grant of civil service to them, using the principles of seniority and merit. He supports the reestablishment of the triennial pay system and real improvements in remuneration, with a basic salary of not less than 25,000 pesos. He also advocates ending municipal control of the teaching profession because he considers that the College of Professors should assume responsibility for teachers training and should be consulted on educational policy.

Together with List "C" "For Democratization," this group represents the entire opposition spectrum in the country.

[Question] Why has the opposition presented separate lists of candidates? Don't you think that when you are trying to regain control of a semi-official professional college and to end the practice of the arbitrary appointment of its leaders, the opposition would be stronger if it presented itself as a single bloc?

[Answer] Our position has been and remains that of supporting the broadest kind of unity among the teachers. Therefore, the cause of Chilean teachers is more important than any temporary agreement or disagreement among some of the opposition political groups.

Our list represents the forces which belong to the Democratic Intransigence group, from the Left to the republican Right.

No doubt uniting everyone in the opposition would bring us closer and more quickly toward achieving the democratic objectives of the country. For that reason our list "For the Democratization of the College and Unity Among the Teachers" will continue to work for guild unity. Furthermore, it is only proper for the views of the professors to be expressed in the most pluralistic and democratic way possible. In this country we are so accustomed to decisions made in a dictatorial way!

[Question] Would your list redefine the professional qualifications of the College of Professors in favor of a more clearly trade union type of organization?

[Answer] The College of Professors has been brought under the control of the government authorities. We want to rescue it from this kind of supervision to return to the professors the dignity which has been taken away from them and to provide them with the necessary opportunities for participation and the leadership required to defend our rights by ourselves.

We professors are alternatives to social and institutional forces whose function is violence. We professors are here to teach, to promote the constructive forces of the country. We are the moral reserves of the fatherland and an irreplaceable force for rebuilding a democratic Chile.

We should not ignore the fact that the historical struggle of the teaching profession has been more trade union oriented than anything else. Nevertheless, I think that it is important to expand out efforts to an increasing extent. Our teachers college should cover matters such as professional training.

[Question] What attitude will your list adopt toward the AGECH [General Association of Chilean Educators]? Would you invite it to work with you in establishing a single professional organization for Chilean teachers?

[Answer] Certainly, the AGECH is an organization representative of Chilean teachers. As such, we should move toward uniting ourselves in the kind of single large movement we have always had, in reality.

[Question] And regarding the professional colleges and the federation of which they are members?

[Answer] We highly value the patriotic attitude of the colleges in the fight for democracy. We are ashamed that the authorities appointed by the government in the college have taken over the efforts made by professional teachers to lead the way to democracy in Chile.

List "B": "Advance and Consolidation of the Teachers' Guild"

Juana Araya [interviewee] is currently the president of the Metropolitan Council of the College of Professors. The program of this list was not sent to us, nor was a brief biography of Alicia Cienfuegos, who heads this list. Cienfuegos is the director of Liceo A-70. It should be stated that Juana Araya is not a candidate for the National Council of the College of Professors.

[Question] Does your list totally support the the management efforts of the university council presided over by Juan E. Gariazzo?

[Answer] As is indicated by the name of this list, "Advance and Consolidation of the Teachers' Guild," those of us who make up this list think that it is necessary to support the positive achievements made in the material sense--the establishment of the AFP-Magister [the Association of Professional Civil Servants-Teachers], the construction of the Hospital for Professors, the acquisition of regional centers and the center for summer vacations, the provision of assistance in the form of loans, etc--like those which propose raising the dignity of the teachers guild. The same is true with training and development courses, with courses for providing degree equivalents for professors who do not have them, the establishment of cultural centers, the holding of literary and artistic competitions, the grant of professional scholarships, etc. We think that this useful work cannot be denied or ignored by efforts to hide it, primarily for political reasons.

[Question] Do you think that at present a large number of members of the College of Professors identify themselves with the leadership of Juan E. Gariazzo?

[Answer] As a survey has never been made on this subject, it would not be objective to give a flat answer. We believe that anyone who is engaged in the struggle to achieve an improvement in the human and professional situation facing teachers is subject to criticism of all kinds and, as we can commit errors in doing things, for we are all human, there are those who question his leadership. However, above all no one can deny the achievements made here. It will be time and history which will judge the work done by the present leadership, objectively and dispassionately.

[Question] What is your position on the Federation of Professional Colleges? Do you think that it is possible for the College of Professors to join it and support its positions?

[Answer] All guild-type institutions deserve our most decided respect, since they are responsible for protecting the interests of their members and for relating those interests in a just educational system with the needs of the community as a whole. Now, when teachers' guilds appear to receive less consideration compared to other types of interest groups, we are not in a position to criticize. However, at the same time we cannot ignore the spirit which animates our association.

[Question] Do you think that in the future the College of Professors and the AGECH could unite under a common program, representing all Chilean teachers?

[Answer] We think that this would be a highly positive step, because it is known that any kind of duplication in the guild structure damages the higher interests of the guild. We should note that the College of Professors has never opposed action favoring the interests of all teachers, without excluding anyone, and it seeks objectives strictly related to the teachers guild.

5170/9738
CSO: 3348/285

CNT LEADER DISCUSSES ARRESTED WORKERS, POLITICIANS

PY141906 Santiago EL MERCURIO in Spanish 6 Mar 86 p C3

[Text] During a press conference, National Workers Command (CNT) Vice President Manuel Bustos revealed that during the 1 May festivities "John Vanderveken, secretary general of the International Conference of Free Trade Union Organization [ICFTUO] will possibly visit us."

According to Bustos, the conference was held "to express our concern over the situation of the workers and politicians arrested on court orders." Bustos also announced that the CNT is dismayed at the death of Swedish Prime Minister Olof Palme, "who was a great friend of the Third World."

Bustos added that "we have expressed our repudiation of the assassination of this man who loved peace, and we will express our solidarity and our condolences to the Swedish ambassador in Chile."

In addition, Bustos stated: "On 1 May we plan to open an important new front. ICFTUO Secretary General John Vanderveken and the president of the U.S. AFL-CIO might visit us."

The CNT secretary general spoke after Bustos at a ceremony marking International Women's Day.

National Federation of Railroad Workers President Miguel Munoz also spoke. He stated that his organization will watch over "the freedom of the workers arrested because of the train accident in Queronque."

In turn, Confederation of Private Business Workers President Federico Mujica stated that his organization is very concerned over the dramatic situation arising from price increase in basic foodstuffs. In addition, Mujica reported that "in northern Chile, staples are being smuggled into Peru and Bolivia, something which is causing huge shortages and gives rise to price speculation."

Finally, in response to a question posed by the press, CNT Vice President Manuel Bustos said that "we are not joining any movement that may emerge against the government. Especially if its actions lead us nowhere. We congratulate them only when they really serve to create democratic conditions in the country.

/7358
CSO: 3348/459

CHRISTIAN DEMOCRATS FAVOR SOCIAL MOBILIZATION

PY151312 Santiago Radio Chilena in Spanish 1600 GMT 14 Mar 86

[Excerpts] Claudio Huepe, vice chairman of the Christian Democratic Party [PDC], feels that the creation of a national command for social mobilization based on an agreement among the three [as heard] parties of the Democratic Alliance, the Republican Party and the Briones-led Socialist Party, is a positive development. He emphasized that the PDC is strong at the grassroots level, and added that the call for all organizations to participate in this command will permit a careful study of the possibilities of making the grassroots social agreements also effective at the leadership level.

Huepe recalled that in his speech this week, Gabriel Valdes referred to PDC participation in the social mobilization:

[Begin Huepe recording] We PDC members, as mentioned by Gabriel Valdes in his speech the day before yesterday, have stimulated and supported all efforts aimed at reaching agreements at the social level, as well as staging the intense social mobilization activities that have to be carried out this year.

This is what the women, for example, have done. They have grouped people of different political trends to stage mobilizations. [end recording]

Claudio Huepe, vice chairman of the PDC, however, did not mention the Popular Democratic Movement, which, no matter what is said, is involved in all efforts in opposition to the government and favors unity in the mobilization through concrete agreements.

/7358
CSO: 3348/459

RADICAL, SOCIALIST PARTIES SUPPORT NEW COMMAND

PY160109 Santiago Radio Chilena in Spanish 2300 GMT 14 Mar 86

[Text] Enrique Silva Cimma, the president of the Radical Party, has said that the formation of the National Command for Social Mobilization is a great opportunity for all social and political forces to unite their efforts.

Silva Cimma emphasized that the mobilization must be peaceful. Right after the National Command for Social Mobilization was formed, Silva Cimma explained the scope of the Command.

[Begin Silva Cimma recording] Unity is absolutely essential to enable everyone to join the command, to engage in social mobilization and civil disobedience peacefully and without violence. The Command was created because we have so many points of agreement and hope that it will be well-received by all social circles, and of course by all political parties that have agreed on the need for joint social mobilization. [end recording]

Carlos Briones, the leader of the Socialist Party, indicated that the Command will lead the way to the reconstruction of the social structure, which has been destroyed by the dictatorship.

[Begin Briones recording] We are calling on all social organizations because we want, through the National Command for Social Mobilization, to reconstruct the social structure that has been destroyed by the dictatorship in Chile and to seek the way to recover the lost democracy. This is basically the substance and scope of the declaration made by three parties. [end recording]

Asked about the conversations with the Popular Democratic Movement, Enrique Silva Cimma said: Our proposal to this movement has been explicit in the sense that unity is essential for the creation of a Command to carry out a peaceful social mobilization and civil disobedience. We hope that this Command will receive the greatest response from all social organizations and political parties which agree with this call.

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CSO: 3348/459

JOURNALISTS SUPPORT JAILED COLLEAGUE

PY152352 Madrid EFE in Spanish 0003 GMT 15 Mar 86

[Text] Santiago, 14 Mar (EFE)--More than 100 Santiago journalists today marched to the Santiago Penitentiary to express support for their colleague, the publisher of an opposition magazine and a foreign correspondent.

Ignacio Gonzalez Camus, the president of the National Journalists Association, who led the march, explained that the demonstration staged by journalists sought to publicly express the National Journalists Association's support for professional reporter Nernando Paulsen, who has been indicted by the military courts and charged with offending the Carabineros corps.

Paulsen, who is the political editor of the magazine ANALISIS and the Chilean correspondent of TIME Magazine, has already been imprisoned for 2 weeks.

Leaders of political and social organizations also joined the march but when they arrived at the gates of the penitentiary, only the president of the National Journalists Association was allowed to enter.

Upon leaving the penitentiary, Gonzalez stated that "the Chilean journalists association is determined to participate in the social mobilization, especially in the struggle for democracy, and, in making this effort we are determined to run any risks."

/7358
CSO: 3348/459

CHILE

BRIEFS

LIBERALS DEMAND EXPULSION--The Liberal Party yesterday demanded the "expulsion from the Democratic Alliance and from the National Accord of all groups that have no clear democratic definition." It added that the controversy between National Union and the Christian Democratic Party [PDC] over PDC participation in the [1973] military uprising "seeks to divide the opposition and to strengthen the government." Claudio Cerda, member of the Liberal Party Political Commission, stated that the people were shocked in recent days by media reports purporting to prove that the PDC participated in the overthrow of Chilean President Salvador Allende. It added that "the National Union Movement has acted as spokesman in this campaign." PDC leader Juan Claudio Reyes also stated that National Union leader Fernando Maturana "keeps up his campaign in support of the current government, in an effort to hinder the efforts that most Chileans are making to return as soon as possible to democracy." In reply to remarks made by Maturana regarding the "social mobilization," Reyes expressed in a public statement that the term adventurers, which Maturana uses against us, who have decided to fight this year with the maximum possible effort for a political solution to the current crisis. [sentence as published] [Text] [Santiago EL MERCURIO in Spanish 7 Mar 86 p C3 PY] /7358

NATIONAL SECTORS' UNITY--Concepcion--Jose Ruiz Di Giorio, president of the oil workers federation and leader of the National Workers Command, CNT, has said here that the CNT is promoting the "unity of all national social sectors." Di Giorgio made this statement during a press conference that was also held by leaders of the PETROX union, which is a member of the oil workers federation. During the press conference Di Giorgio harshly criticized government plans for the handling of the national petroleum enterprise. He said that from 8 to 20 April, the CNT will hold a national consultative meeting that will be attended by all leaders of the grassroots organizations in the CNT. [By Patricio Gomez Couchot] [Text] [Santiago EL MERCURIO in Spanish 7 Mar 86 p C3 PY] /7358

SOCIALIST PARTY DENIES LEAVING AD--Socialist Party leader Ricardo Lagos yesterday denied that his party has left the opposition Democratic Alliance [AD]. Lagos made this statement after attending an AD Executive Committee meeting at the office of Andres Zaldivar, former foreign minister during the Christian Democratic government. The meeting, held yesterday at noon, was attended by Radical Party President Enrique Silva Cimma and Republican Party Vice President Javier Diaz, in addition to Lagos and Valdes. Lagos said that the

"Socialist Party is not withdrawing from the AD." He added that "we believe that as long as an overall agreement is not reached on how to implement a political dialogue in Chile, it is better to hold bilateral meetings with political parties." Asked whether the Socialist Party attitude is "blocking the AD," Lagos replied that "I would not say that, because the AD has made statements and because this afternoon it is participating in the women's march." [Text] [Santiago EL MERCURIO in Spanish 12 Mar 86 p C3 PY] /7358

OPPOSITION LEADER RELEASED--The Seventh Chamber of the Apellate Court has ordered that former Justice Minister Manuel Sanhueza, chairman of the Constitutional Studies Group and of the Democratic Intransigence, be released on bail, thus confirming a resolution by Judge Marco Aurelio Perales. The Apellate Court passed the decision this morning on the case filed by the Interior Ministry against Sanhueza, based on an article published in the magazine ANALISIS and signed by Sanhueza. In this document, the Democratic Intransigence stated its position on the political situation in the country. Manuel Sanhueza's defense attorney announced that his client will be released at any moment. [Excerpts] [Santiago Radio Chilena in Spanish 1600 GMT 14 Mar 86 PY] /7358

POLITICAL INTERVENTION IN UNIONS SCORED--Most workers want labor union issues to be completely independent of political issues. This was stated by Labor Minister Alfonso Marques de la Plata when he was asked about rumors that the proscribed Communist and Socialist Parties, together with the Christian Democrats [PDC], allegedly will conduct labor union elections. [Begin Marques recording] I would deeply regret labor elections having political connotations, because I understand that this coalition includes Communist Party members, that is, it is a PDC-Communist-Socialist coalition. I think that the unions, the great majority of workers, want union issues to be completely independent of political issues. Therefore, it would be very regrettable if this should happen. [end recording] The minister made these comments at the end of a visit to the Polpaico cement factory in Cerro Blanco, Tiltil district, 40 km north of Santiago. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 14 Mar 86 PY] /7358

CARDINAL FRESNO BOOED BY DEMONSTRATORS--Santiago, 16 Mar (EFE)--Demonstrations were carried out against Juan Francisco Fresno, the Cardinal Archbishop of Santiago, by the inhabitants of the poorer sectors of Santiago when the prelate visited a working class neighborhood. With shouts and whistling, an undetermined number of demonstrators living in El Montijo neighborhood of the capital forced Cardinal Fresno to rapidly withdraw from the place flanked by four priests who helped to get him into a car. The demonstrators, carrying placards reading "what did you do when your brother was starving?," demanded that the Archbishop "give greater support to the cause of the poor." The prelate went to El Montijo to dedicate the new chapel of the parish of that heavily populated neighborhood in northern Santiago. During the ceremony the Cardinal was harassed by groups of people, who whistled at him and booed him as a sign of reproach. [Text] [Madrid EFE in Spanish 1429 GMT 16 Mar 86 PY] /7358

FORMER COMMUNIST CONGRESSMAN RELEASED--The Santiago Appellate Court this afternoon released on bail former communist congressman Alejandro Toro, who was indicted at the request of the government. Two other political leaders were also included in the case. This information was revealed by Toro's attorney, Juan (Padilla). The ruling, which was handed down by Judges Sergio Valenzuela, Jose Canovas, and Luis Correa, confirmed a previous ruling by trial Judge Marcos (de Liberinski). The bail for Alejandro Toro to leave the Capuchinos Penitentiary was set at 10,000 pesos. Meanwhile, trial Judge Marta (Osa) this afternoon ruled in favor of the release on bail--subject to approval by the Apellate Court of two leaders of the construction workers trade union indicted for allegedly offending Supreme Court justices. The people benefitting from this ruling are Sergio Troncoso and Reinaldo Alvarez. The ruling handed down by Judge Marta (Osa) is to be confirmed or overturned by the Appellate Court. [Excerpts] [Santiago Radio Chilena in Spanish 2300 GMT 18 Mar 86 PY] /7358

IAPA DENOUNCES LAW PUBLICATIONS--The Inter-American Press Association [IAPA] has sent a telegram to the head of state, Captain General Augusto Pinochet, reasserting IAPA's opposition to the restrictions currently prevailing in Chile for publishing new publications. It is signed by IAPA President Edward (Hart). The telegram states that the IAPA board of directors, assembled in Salvador, Bahia State, Brazil, on 3-6 March, took note of this law, which requires previous authorization by the government. This law was used to prevent the establishment of the newspaper LA EPOCA. In addition, IAPA reiterates its protest over the arrest of journalists while they are performing their professional tasks and over the indictments filed by the regime of Gen Pinochet against several professional journalists. [Text] [Santiago Radio Chilena in Spanish 1700 GMT 18 Mar 86 PY] /7358

CSO: 3348/459

MBPM OFFICIAL AT HAVANA RALLY CASTIGATES U.S. 'MEDDLING'

FL161815 Bridgetown CANA in English 1614 GMT 16 Mar 86

[Text] Havana, 16 Mar (CANA)--A Grenada opposition party member, Don Rojas, has accused the United States of seeking to turn the English-speaking island and the rest of the eastern Caribbean into a reactionary bloc against Cuba and Nicaragua.

Rojas, who belongs to the leftist Maurice Bishop Patriotic Movement (MBPM), said Washington was trying to turn Grenadians into the most reactionary and neo-colonial force in the Caribbean.

He described U.S. President Ronald Reagan's February visit to Grenada as a second invasion of Grenada, and warned that no force would stop a united and determined people from fighting for independence.

Rojas, a former press secretary to slain Prime Minister Bishop, was speaking at a solidarity rally here on the occasion of the seventh anniversary of the March 13 coup that brought Bishop to power.

The rally was sponsored by the Association of Caribbean People (ACP) residing in Cuba which groups mainly students.

Time and history are on the side of the patriotic and progressive people, Rojas said and added that despite the forthcoming difficulties, the final victory is secure.

After paying tribute to Bishop and his comrades, who were killed in a palace coup shortly before the U.S. invaded the island in 1983, Rojas called on Caribbean students not to repeat the errors of division and sectarianism some Grenadians made.

Closing the rally, a Cuban Institute of Friendship Among Peoples (ICAP) official reaffirmed Cuba's solidarity with the Grenadian people.

/9274
CSO: 3298/374

BEHAVIOR OF NNP MP'S SEEN AS THREAT TO DEMOCRATIC SYSTEM

St Georges THE GRENADIAN VOICE in English 15 Feb 86 p 4

[Editorial]

[Text] There is cause for much concern over the rumblings which are coming from the New National Party and the attitude and behaviour of some of their Parliamentarians.

If Grenada has never needed a vocal public opinion before, it is certainly needed now to tell these individualistic men that, if this country is to be saved for true democracy and protected from political charlatans, opportunists and pseudo-revolutionaries, they have got to seriously forge this chimerical unity about which they boast so much but which no more exists than the "Holy Grail."

We need to remind these men and women that we voted them into power, not so much because we BELIEVED in them (for none, save Prime Minister Blaize had a track record), as much as because we HOPED in them, since there was no other serious option open to us. We need to point out to them that their election to political office did not, in itself, endow them with political acumen and the wisdom of the ages, so they have no right or reason to come on with the know-it-all attitude that some of them display. We need to get it through their heads, somehow, that we, and history, will never forgive them if they squander the golden, God-given opportunity presented to us to put our house in order and set this country on a secure path of development.

On paper we have the highest proportion of well-educated men among all the Parliaments in the region and if they will be conscientious and dedicated and seek and take proper advice and be willing to learn, there is no reason why they should not deliver the goods. But what do we find?

We find dissension and disunity which are denied until it bursts into an ugly scene. We find the 'youngbloods' of the party in parliament being more critical in public than the opposition--instead of seeking remedies inside. We find men looking after their own constituencies without regard for proper procedure. We even find the spectacle of a booklet being published (which is a commendable report on the work of the government in the first year)--but, although it includes information which must have been provided by other Ministers, it was signed by one Minister who cheapened the whole effort by printing on the cover "The views expressed are those of the author and not necessarily those of Government." How ridiculous!

We have opined before, and we say again, that these men do not really understand Cabinet Government. Neither do the 'youngbloods' who seem to feel that they must know everything the Government is doing and in advance. In fact, they appear to believe that they should be consulted at every turn. They seem to want the "shared leadership" that brought us so much trouble in '83.

Of course, we are aware that the Prime Minister needs to make some adjustments in his style. What we recommend, however, is that he should take all his Parliamentarians and his Party Executive on a weekend retreat and hammer out their differences in a frank exchange of views (before the whole thing falls apart)--and after that, let the chips fall where they may.

/9317
CSO: 3298/370

UNIONS BACK DOWN ON MEETING, BUT PUSH WAGE DEMANDS

St Georges THE GRENADIAN VOICE in English 15 Feb 86 p 16

[Text] The three unions seeking a 30 percent increase in salaries for its members dating back to last year have dropped their ultimatum for a meeting with Government, but are standing firm on their claim for an increase in salaries and wages for the year 1985.

In response to Prime Minister Herbert Blaize's declaration that "no Government can run the affairs of a country on the basis of ultimatums" the unions decided to meet with government "at a convenient time" for both to avoid an impasse. The two negotiating teams were scheduled to meet on Friday.

Meantime, Basil Harford, President of the Public Workers Union, one of the three groups involved, told workers "you cannot play football on wet ground and not get your pants dirty."

Mr Harford was speaking at a meeting called by his union, together with the Technical and Allied Workers Union and the Grenada Union of Teachers to discuss the present situation. The meeting took place at the PWU Centre at Tanteen on Tuesday.

Harford made the comment as he was expressing his "slight" dissatisfaction with the turnout of about 100 members. The PWU leader also complained in his address that the present level of public workers wages--of less than $6.000 per year on the average is much too low. He said that workers in the private sector are receiving much higher wages along with six months bonus at the end of the year. This, he said, is happening while unions representing public workers are being ignored. Harford referred to a recent survey of OECS countries which showed that workers in countries such as St Lucia, St Vincent and Dominica are receiving much higher salaries than Grenadians. The morale of public workers is very low, the union president said, and without an increase in salaries and benefits it could drop even further.

A government letter addressed "Dear Fellow Workers" was read. It stated that union members should support the government in its difficult endeavour to build the country since it does not have a "magic lamp" to create improvements overnight.

The union members present were given an opportunity to express their feelings on the current situation and most felt their organisations claims are justified.

The only thing government and the unions have agreed upon is for the latter to be part of a body set up to examine recommendations of the Organisation and Methods Survey of the civil service carried out by Peat, Marwick, Mitchell of Britain.

Prime Minister Herbert Blaize says "This should provide a sound basis on which negotiations, in respect of wage claims for 1986 can proceed constructively."

/9317
CSO: 3298/370

GOVERNMENT CORRUPTION, INEFFICIENCY, NEPOTISM CITED

[Editorial Report] Guatemala City PRENSA LIBRE in Spanish on 8 January 1986 publishes a 600-word commentary by Alvaro Contreras Velez entitled "On the Eve of A New Democratic Experiment." The commentary states that the transition to democracy has improved the country's overseas image and that as a result "a bunch of money" will be arriving. The author feels that the country's economy will not improve unless it uproots its age-old vices, which are:

"1. The various forms of corruption, such as venality, extortion, smuggling, embezzlement and stealing money from taxpayers; 2. Confidential expenditures that plunder the treasury; 3. Nepotism, which insures that only a few families will enjoy the spoils of power; 4. Autocratic government intervention, which dampens the productive activities of private enterprise; 5. Domestic and foreign borrowing (already more than $2.5 billion), which is mortgaging the nation's future; 6. The dead weight of state-run enterprises, which spend taxpayers' money to employ bureaucratic loafers and parasites; 7. Wasteful spending on white elephants and on new-rich luxuries that public officials are wont to secure for themselves through projects that benefit only them; 8. Higher inflation by printing more money that is worth less every day."

The author concludes by stating that the civilian government has two major tasks ahead of it: "The reconstruction of the national economy, which has been devastated by the worst crisis in Guatemala's history," and rebuilding the country's international reputation, "not just in financial terms because of the fall in the value of the quetzal...but also socially and politically, owing to the thousands of murders, disappearances, torture and other human rights violations of which recent governments have been accused."

8743
CSO: 3248/193

GUYANA

HOYTE COMMENTS ON FIRST 6 MONTHS IN CANA INTERVIEW

Kingston THE DAILY GLEANER in English 28 Feb 86 p 25

[Text]

GEORGETOWN, Guyana, Feb. 27, Cana

Guyana's President Desmond Hoyte has ended his first six months in office optimistic about revitalising the socialist republic's ailing economy.

In a wide-ranging interview with Cana, Hoyte said that increased foreign investment in the important mining sector, a deeper interest by Guyana's neighbours in establishing joint ventures to exploit the mineral-rich South American country's resources, and a lot of goodwill shown by the international community contributed to the optimism.

There was also a willingness by "various sections of the society" to help in economic regeneration, the former Prime Minister reported.

Hoyte, who for several years had been a member of President Forbes Burnham's cabinet, took over after Burnham died last August 6. The economy he presides over has long been in trouble, with inadequate returns from the major exports of sugar and bauxite contributing to a foreign exchange squeeze that has been reflected in scarcities of some consumer goods.

Hoyte told Cana the government was hoping to improve earnings from sugar and bauxite by getting the World Bank and the European Economic Community (EEC) to rehabilitate Guyana's bauxite plant — a move that would significantly improve production capacity — and by making additional products from sugar cane.

Hoyte also spoke about relations with religious groups in the aftermath of claims of victimisation by some churchmen; about food production problems; and plans for a deepening of relations with Caribbean Community (Caricom) member countries as well as Latin American nations.

He said the government had good relations with most religious groups here. He told Cana too the government was prepared to be flexible in food import and other policies, scrapping guidelines if they were unworkable.

Following are excerpts from the interview.

On the possibility of an economic turnaround:

"Over the years we have had great experience in managing an economy in difficulties. We have had every kind of problem any country can experience in the context of a world where economic activity is contracting, where the world economy is not vibrant.

There are problems of shortages, foreign exchange problems, therefore, shortages of spares for industry and so on — shortage of some essential items. We have gained experience on how to manage in such a situation; so that our people have developed great ingenuity and are surviving in these difficult circumstances.

Now there are several favourable factors which lead me to believe that we can move this country and its economy forward. In the first place, there were the results of the elections (last December) which gave the party a mandate to administer the affairs of this country for another five years. In other words, the political issue has been settled.

We've got five years within which to take decisions and to adopt the measures that are necessary to turn our economy around. Now, secondly, over the years we have been doing a lot of work designed to stimulate economic activity.

For example, we have been developing several investment models which we hope would be attractive to Caricom entrepreneurs, businessmen and even extra-regional investors.

These models would call for joint ventures in the exploitation of guyana's resources. We've got abundant resources.

At this time we don't have the capital and we don't have the technology that is needed to exploit these resources. We know that many business people in Caricom have the capital, have access to the technology. So the whole idea is for us to pool our resources that we have — they pooling their financial resources and managerial resources and skills and so on to develop enterprises for our mutual benefit.

We've gone a far way in refining those models ... Already we have had proposals and we've had enquiries from some Caricom business people.

We are hoping that at least we could have the example of one of these projects coming off the ground just to illustrate the possibilities inherent in this kind of cooperation.

Additionally, very quietly, without a lot of fanfare, people have been investing in Guyana. There is a lot of activity in the mining sector, particularly in gold, and all of the people who have come in to invest in gold and minerals have been expressing their enthusiasm on the basis of the exploratory work they have done and their analysis of meteorological data garnered.

I think that within another year or two we should be having significant activity in the mining sector.

A team led by Deputy Prime Minister Parris has left Guyana for London to hold a seminar with leading oil companies on our petroleum resources. That team after leaving London will go on to Houston, Texas to similar seminars. All of the major oil companies will be present at those seminars.

We will explain to them the potential which we have in hydrocarbons. In fact they already have the seismic and other data. They have brought these packages.

They have been studying them and it is on the basis of the studies they have done that we will be exposing to them the regime to make investment in the oil sector, the petroleum sector, attractive.

As you know we've already laid legislation in the Parliament to modernise our laws relating to oil exploration and exploitation."

On the guyana private sector:

"....Our businessmen, being sort of influenced by the reality of our economic situation, have come up with a number of very ingenious ways of coping.

As I said in my speech to the Parliament, they have come to the point that we have survived, but they could do more than that. I myself have been heartened by the number of proposals suggesting ways and means of doing this.

Many of them have already started to take new approaches to manufucturing, to development, and so on....

Now the government has been doing a number of things to encourage business activities and I do look forward to seeing some results."

On the mood in Guyana and the international community following his take-over:

"There is a mood of optimism among the (Guyanese) people. People seem to believe we have a good opportunity to move this nation forward. You will forgive me for repeating that phrase, it is a phrase that I have adopted, it's almost kind of a slogan if you like.

I have seen a lot of goodwill abroad. I have had a lot of expressions of support and there is an obvious willingness on the part of various sections of our society to try to do whatever lies in their power to help in this process of what I will call economic regeneration.

Not only have people been showing their willingness to do things, they have been doing it. Private sector organisations have been doing a lot of things, showing a lot of initiative, making a lot of good proposals

For the first time, we have had a pretty deep involvement of the business community, the private sector community, in the discussions, the formulation of budgetary measures. Of course, you have had the TUC (Trades Union Congress) and that has been traditional for some years now.

We've had businessmen working on specific proposals not for themselves, but for the economy as a whole and in support of government activities.

So I believe that people look at all these things and they believe that they themselves as members of a particular group or as individuals have a greater opportunity for involvement in terms of influencing decisions and also in terms of personal participation in doing things and having things done.

As I said to the many organisations that I have met, I would expect them to do things. We have got to get beyond the stage where people sit down and believe that the government is the universal godfather, you know, that we will bring all good things, will do everything, and (recognise) that there are many areas of public life impinging upon national development.

Where the non-governmental voluntary organisations were better equipped to manage, it is government's policy therefore that the non-governmental and voluntary organisations should undetake the responsibility to seek such governmental support as may be required or necessary....

The mood (of optimism) is there. I feel it is a good asset. I feel that the government must foster that mood to keep people enthusiastic and hopeful, and to do with them some practical things which will justify their belief that we can do much better in the long run."On relations with religious groups:

"In this country there is no such thing as the church. In many Caricom countries, in many other countries of the world, you usually have a dominant church and therefore you can properly speak of the church, but we have no such thing in Guyana.

We are a very plural society and we have many religions. We have Hindus, we have Muslims, we have Christians, we have some religions that cannot be classified as any of those groupings. We have the Brahma Kumaris, we have the Bahai, and in our country the Christians are a minority. That is not frequently understood even within Caricom.

It is difficult for people in Caricom to understand that Guyana is not a Christian country. It is a religious country, but not a Christian country.

It has many religions and the Christians are in the minority. And even in the Christian faith there are so many denominations. In the Christian faith the Anglicans and the Roman Catholic, let me call them the established churches, these are established in every particular sense but are in the minority.

The majority of Christians are deep down in the other churches, the Methodists, Baptists, Presbyterian... then we get the indigenous churches which owe no allegiance to any outside religious body.

There are the Jordanites, the people in the spiritual councils... Really, there are large number of churches all over the country. Now if you stop to reflect, you'll find that the government had absolutely no problems with any Hindu organisation, it had absolutely no problem with any Muslim organisation.

In fact many of those organisations came to congratulate me and offer me their support. We have had no problems with any of these and with most of the Christian churches. In fact, the relationship with this government and the religious organisations, as a whole, has been extremely good, cordial and marked by respect. It is only on the third of this month that the Methodists invited me to have lunch with them during the period of their synod.

The Methodist leaders did take the opportunity to say what relations they had with the government and to offer their support as it were. In January, I think it was the 16th of January, an important Muslim organisation, the Islamic Missionaries Guild, had a luncheon in my honour at which hundreds of Muslims attended...

A group of prominent Catholics had a reception in honour of myself and the Prime Minister and at that reception they took the opportunity to discuss with us relations between the Roman Catholic Church and the government.

They were anxious that there should be good peaceful relations and were keen on promoting dialogue and doing everything in their power to ensure good relations...

That was a most cordial meeting of people who were kindly disposed... and they took the time off to hold a reception in honour of myself and my colleague, the Prime Minister.

What was interesting about that was that the person who chaired what I may call the second part of the proceeding, the first part was the social part, the second part was the discussion part, was the brother of the Roman Catholic Bishop, that is, Mr. Marcellus Fielden Singh, who also happened to be the leader of one of the minority parties, the United Force.

But we weren't there as politicians, we were there as Guyanese who were interested in the welfare and well-being of this country. So when one takes all of those things into consideration, it is a little difficult to understand any allegation that there is antagonism between the church and the government.

There have been problems, not with the Roman Catholic Church, but with some individuals in the hierarchy and we have to administer a state and we have to consider the overall interest and security of the state. And there is nobody who is superior to our law, who is above our law, and above the constitution.

/9274
CSO: 3298/375

JAMAICA

PNP MOUNTS PROTEST VIGIL IN OPPOSITION TO SEAGA POLICIES

Party's Demands

Kingston THE DAILY GLEANER in English 28 Feb 86 pp 1, 3

[Text]

A SEVEN-POINT DEMAND is to be made on the Government to ensure "growth and real development" with the use of some $715 million in savings from the decline of oil prices on the world market, President of the People's National Party Mr. Michaėl Manley said last night.

Mr. Manley said the demands would be made on the Prime Minister at Jamaica House on Monday, March 10 following an all-night vigil at National Heroes Park the day before.

Mr. Manley made this announcement at the PNP's People's Forum at Oceana Hotel last night. He said the party would demand:

- that Government give education priority and abandon its present direction in regard to tertiary education and the teachers' salary issue;
- that Public Health services, inlcuding the deliveryof preventative health care, the reopening of closed hospital wards and health centres, as well as the re-employment of community health aides be restored;
- that electricity rates must be lowered for the productive sectors, especially those which earn vital foreign exchange for the country, and for those of the people who are in the lowest income groups;
- that water rates must be reduced for the productive sectors, especially agriculture and for the lowest income groups;
- that interest rates must be lowered for the productive sectors, especially agriculture, tourism, manufacturing and construction. Cement price must be decreased;
- that the physical infrastructure of the Railway, feeder roads, and port facilities for the export of bananas must be improved;
- that the cost of cooking gas and kerosene oil must be reduced.

Mr. Manley said that the Party was going to return to a location (National Heroes Park) "from which the people spoke with power and got the exchange rate fixed." He was referring to the Party's vigil November last when thousands marched on the Bank of Jamaica.

He declared to tumultuouscheers from the packed hotel ballroom that his Party was "totally opposed" to what he said was Mr. Seaga's move to turn back the process of free education for the poor.

"We're going to fight against it, we are going to demonstrate against it," Mr. Manley said. He pledged that if Mr. Seaga turned back social programmes, a PNP Government was going to reverse the process when "God and the people" returned the Party to power.

Dealing with oil prices, he said that the Stabilisation Fund could become the "biggest pork barrel" ever known in the country's history. Mr. Manley called on the Government to take immediate steps to put a limit on what went into the Fund in view of the windfall on oil price; and channel the remainder in the Consolidated Fund so that the money could be the subject of public scrutiny.

He suggested too that there should be collaboration between the Government and the bauxite industry to search for new markets as a result of the new opportunities opened up due to the drop in the cost of oil.

Earlier, the PNP's spokesman on Finance, Mr. Seymour Mullings told the audience that the price of oil had fallen nearly 50 per cent, which would result in an estimated savings of between US$120 million and US$130 million or between J$660 million and J$715 million.

"The money belongs to the consumer, to every man who buys a gallon of gas, to every housewife who buys a cylinder of cooking gas, to every man and woman who has to pay electricity bill, to every man and woman who has to pay water rates," Mr. Mullings said.

He added that the PNP Government left $31 million in the Stabilisation Fund in 1980 but the present Government used it up. "Until this day, they have never told Jamaica how they spent it. The oil price reduction will result in a larger sum of money going into the Stabilisation Fund. I call on Seaga to tell Jamaica how this money is going to be accounted for."

Mr. Manley said that if the Government implemented the proposals they would make a great contribution to the economy and people. He would invite those on the vigil to march with him to Jamaica House on Monday morning March 10 at 8 a.m. to present the demands to the Prime Minister. If they were not allowed in, he said, he hoped that the Security Forces would assist in delivering the demands.

March on Seaga's Residence

FL111630 Bonaire Trans World Radio in English 1130 GMT 11 Mar 86

[Text] In Kingston, Jamaica, tens of thousands of demonstrators led by former Prime Minister Michael Manley marched on Prime Minister Edward Seaga's residence yesterday to demand changes in Jamaica's economic policies. Police estimated 60,000 people assembled Sunday night for an all-night vigil sponsored by Mr Manley's People's National Party at Halfway Tree Square, which separates Kingston's residential and business districts.

Yesterday morning, the crowd marched to Jamaica House, Mr Seaga's official residence. Several hours later, police fired tear gas to disperse close to 1,000 students who were demonstrating against the Jamaican Government's proposal to raise tuitions at colleges and universities.

And, in yet another protest yesterday, approximately 400 junior doctors continued to slow down. The doctors are demanding 12.5 percent wage increases.

/9274
CSO: 3298/376

MEXICO

CFE LACKS RESOURCES TO MEET FUTURE EXPANSION OF ECONOMY

Mexico City PROCESO in Spanish No 486, 24 Feb 86 pp 11-13

[Text] A possible economic growth (however minimal it might be) could actually generate a disaster. The electrical industry, virtually at a standstill, lacks resources for dealing with any rise in the demand for power.

As someone has claimed, the country is in a half light; and it could be left in the dark.

The situation is a result of the cancellation or deferment (terms used by labor and management, respectively) of the investments in the Federal Electricity Commission (CFE).

With different and even opposing views, the deputy director of CFE, Juan Eibenschutz Hartmann, and the head of SUTERM [Sole Trade Union of Electrical Workers of the Mexican Republic], Leonardo Rodriguez Alcaine, confirm in varying ways what the electrical industry's statistics themselves indicate: It is stagnant and, if it continues thusly, there will be risks even of not being able to deal with plans for a hypothetical economic reactivation.

Without citing figures, Juan Eibenschutz Hartmann explains that, as a result of the reduction in income due to the decline in oil prices, the company's programs "will be curtailed and adjusted. We are involved in a rescheduling or deferment of projects, which is not the same thing as a reduction in budget."

The official makes a distinction: "At least up until now, they have not touched the budget. The budget authorities have told us to spend less than we had planned during the first 3 months; I suppose it was for the purpose of solving cash problems rather than saving."

Nevertheless, the problem does not appear to be so simple, because the rescheduling (evidence that there are no funds) is serious. Eibenschutz admits this subsequently: "If the demand continues to increase and the company's construction programs are curtailed, there will not be a sufficient supply or capacity to meet that demand, 3, 4, or 5 years hence. That is the risk that is being run." But he returns to the mild tone:

"When they begin to readjust the programs (it has actually been done already), the risk being run is not immediate. At the present time, we have sufficient capacity for providing service with a reasonable margin. The installed capacity is 20,000 megawatts."

On the other hand, Leonardo Rodriguez Alcaine, head of the Sole Union of Electrical Workers, does have statistics. He states them with assurance, backs them when addressing anyone, and claims: "CFE cancelled its investment budget, which amounts to about 600 billion pesos this year. There is only money for current spending, in other words, salaries, benefits, fuel, spare parts, etc., that will allow for the minimal operation of the company. There will be delays of up to 3 years in the construction of works projects; and hence there will be difficulties in rendering proper service during the coming dry season. This year, several plants will embark upon maintenance. In 1987, there will be blackouts. The expansion projects have been halted. To date, there have been about 50,000 workers laid off, who were trusted and belonged to the union. It is impossible for the government to make greater cuts in spending, because we no longer have people working on projects. Only the essential personnel are being kept."

Rodriguez Alcaine believes that the risks are immediate. "Under the current conditions, there will not be sufficient capacity to meet the demand, if the economy grows. But not only that; rather, there will be an energy shortage even without economic growth.

"The budget cuts have not occurred only in 1986, but during the past 3 years. We are not in a position to solve the problems stemming from the power supply. There is a lag with respect to demand. More plants, more substations, more networks, and more lines are needed in order to be able to provide service. We are not growing sharply as during the past 6 years, but we are still doing so, although at lesser rates. We Mexicans cannot stop eating, or clothing and transporting ourselves. That is the problem: not being able to meet the normal energy requirements even if there is no economic development."

Juan Eibenschutz laughs, and doesn't believe it; because if Rodriguez Alcaine's assertion is true, it would mean the end for the company. He takes a puff on his cigar:

"If the investments end, then we shall have to stop everything; and this is difficult too. It would be something like the failure of the company. The construction of a hydroelectric plant or a thermoelectric plant is like the building of a house. You need a sum of money, make your budget, and calculate that it will be finished in a year. Suddenly, you are left without a nickel for the project; you return materials that you have already purchased, or you leave them there to go to waste. What are you going to tell the workers, when they find out that the job is over, because you were left without a nickel?"

He becomes serious, and puts down his cigar: "A firm such as CFE cannot be left without money, unless the country is at an end. That is unthinkable."

The best judge in this controversy is CFE's own technical data. With the latter, one can discern a paradox: If it had not been for the country's economic recession, the electric power supply would already have become critical.

The official forecasts indicated that the electric power would have an annual growth rate of 9.6 percent for 10 years; so, for 1986, a consumption of 13,150 megawatts was predicted. At present, the consumption is 11,715 megawatts, and the growth stands between 7 and 8 percent. If the prediction had been fulfilled, it would not have had the capacity to meet the demand.

What happened was that the economic growth, reflected in the GDP (gross domestic product), with its ups and downs and everything, has tended to decline and become stagnant. During 1981, the GDP was 7.9 percent; in 1982, -0.5 percent; and in 1983, -5.3 percent. In 1984 and 1985, the GDP recovered, and was 3.5 and 4.1 percent; but in 1986 a decline to -1.5 percent is anticipated.

The annual growth rate for electric power moved from 9.6 to 4 percent; and, this year, it is estimated at 6 percent.

The calculation of the annual growth for electric power (an average of 6 percent during the next 10 years) has been made on the basis of the development of the country's different regions,the historical evolution of consumption, and the requirements of the major industries and their projects. But there is one variable that has the last word: the government's economic policy. However, as often occurs, the predictions for the 6-year period may not be borne out.

In other words, despite the intention of a 6 percent growth in electric production, the areas with the largest demand in the republic (the south, which basically includes the Cancun tourist complex, and the north, including the Monterrey industrial zones and the entire border strip) have shown 8 percent growth rates in demand.

CFE's vulnerability stems from this point, despite the fact that it is benefited by the economic crisis. The parastate entity's industrial capacity lies between 18,000 and 20,000 megawatts, and it is the sum of the power of all the country's generating units. But, according to CFE's weekly executive report 5-96, the real capacity is 11,800 megawatts; and this is the result of subtracting from the total the reserve supply for emergency cases and the maintenance units under repair.

This same report indicates that during 1985 the demand was 11,715 megawatts; which, when compared with the real capacity, shows only a slight difference of 65 megawatts. Therefore, if there is a little growth in the economy, or if the demand is maintained, especially in industry, the electrical service could be at risk. The technical recommendations indiate that the real capacity should stand at 14,000 megawatts, at the height of an economic crisis. In other words, there should be a difference of 2,285 megawatts from the demand, and not one of 65.

The reason for the low capacity is due to the fact that there are many units out of service, for which it has been impossible to provide maintenance, owing to the lack of spare parts, most of which are imported.

The 65 megawatts will be depleted within a short time. The government is attempting to avoid this by restricting the market, which could grow as a result of the installation of assembly plants in the northern part of the country, the tourist industry and, primarily, heavy industry. The industrial plant is not totally occupied; that is to say, although new projects and industrial investments may be curtailed, if the idle capacity is occupied, a greater demand for energy will be generated. In view of this situation, the government could refuse to supply power, or else sacrifice another type of user (subdivisions and "colonias" [urban communities[), as occurred during 1980.

But during this time of economic upheaval, it has already been decided to terminate major projects in order to ensure the supply in future years. The future is being sacrificed to solve problems involving a shortage of resources: When the demand grows, there will be no capacity for meeting it.

According to the new dates for commercial operation in CFE's program of generating units, 23 plants have postponed their conclusion for a year, with the hope that, in the future, they will have a budget for continuing. Included among these are the Tejamaniles and Cerro Prieto IV (with three units) geothermal power plants; the Agua Prieta (with three units) hydroelectric power plant; the Comedero hydroelectric power plant (three units); the Aguamilpa hydroelectric power plant (with six units); and the Rosaritos, Topolobampo (three units) and Meoqui (three units) steam plants. These plants will be completed between 1988 and 1993.

The future of the projects that were intended to open this year is uncertain. At the outset, there have already been delays of up to a year and a half. Some of them are: the El Caracol hydrcelectric powerplants, the Cerro Prieto II geothermal plant, the Ciudad Juarez and San Luis Potosi thermoelectric power plants, and the one with a combined cycle, El Sauz. But there are others which are even more delayed: the Penitas, Bacurato, and Amistad hydroelectric power plants; the Cerro Prieto II geothermal plant; the Libertad Manzanillo I and II, Agua Prieta II, and U-3 thermoelectric plants; and those with a combined cycle, Huinala and Tula, which are steam-powered.

Special mention should be made of the Laguna Verde nuclear electric plant (it will supply 4 percent of the total energy in the country), the lags and stoppages in which are very well known.

Waste and Deficit

CFE's deputy director, Juan Eibenschutz, claims that in Mexico electricity is used inefficiently in comparison with other countries. "We consume far more energy than the European countries do, and the same as the United States. We waste it. This is explained by the fact that, for several years, the country's development has been based on cheap energy sources. We must save energy."

In his opinion, there is no shortage in the power supply. The degree of electrification is reasonably high, because towns with over 2,5000 inhabitants have this service. Nevertheless, there are 15 million inhabitants who have no electric light because they are located far from the centers with the electrical systems. It takes time to build facilities.

Eibenschutz does not think that there is any inefficiency in the parastate company. He admits that, in fact, the company's liabilities (debts) far exceed what the company is worth (assets). "From the business standpoint, the financial situation and the economic administration are very poor. But we are doing things reasonably well: The average costs of the service are at limits comparable to those of other countries, and the price-cost ratio stands at about 70 percent. In other words, it costs CFE 30 percent more to produce power than the sales price. Of course, the subsidy is 30 percent."

He says that there has currently been a change in the company's policy, and an attempt is being made to have the prices reflect the costs, "but this will not be achieved overnight."

He claims that, because of the policy on subsidies, the company's finances have been distorted. It accumulated a considerable debt amounting to 4 billion pesos. Therefore, it needs subsidies. "Actually, the economic situation is not a problem, because the government views the company as a public service, and not as a profit."

The subsidies will continue. "I don't see how they could be eliminated, thereby making the company more efficient. If the companies reflect the costs, and if there were a magic way of eliminating the debt, the sector would become efficient again in business terms, but we shall continue operating more or less the same. In fact, the economy is harmed when the real costs are not paid, but in a country such as ours, it is impossible to stop subsidizing certain sectors and services."

[Question] Isn't the use of subsidies unfair? Aren't the large industrialists benefited, and those with less means harmed?

He explains that producing 1 kilowatt hour for the normal consumer is more expensive than for the industrialist. There are more technical complications in carrying power to residences than to industry. The power is sold to the consumers retail (less than 50 kilowatts), and to the industrialists wholesale (23,000 volts). It is sold to the normal consumer for 10 pesos per kilowatt, and costs 40 pesos; whereas the industrialist pays 5 pesos, because that is its exact worth. The industrialists are not subsidized, and the consumers are.

"That mistaken notion that people have about the unfair use of subsidies is politically appealing. Anyone who wants to distort reality with the intention of causing trouble can take an invoice from Sheet Metal and Plate, for example, and compare it with that of a gentleman living in the rural area. Divide what the company is paying by what the poor devil on top of the hill is paying, and you have an enormous difference. So, it's easy to say that the government is giving away electricity to that wretched company and selling it to the poor devil as if it were gold; without regard for the fact that one is paying what the electricity costs and the other is being subsidized."

Eibenschutz cites other paradoxes. He claims that CFE is operating in the black, because the subsidies are handled as such, while the company maintains cost levels comparable to those of other countries, and its price-cost ratio is acceptable. He maintains that the debt has not paralyzed the company, because the outlays are distributed as a third for running expenses, another for investment and still another for the debt. Furthermore, since it is not a private company, it actually has no capital, and does not have to pay dividends. In any event, the debt that it owes to the government is the capital, and the interest is equivalent to the earnings generated by that capital.

He says that there is no hurry to level prices with costs, but that measures have been adopted: a 51 percent increase in January, plus another one that is equivalent to 3.5 percent per month. Moreover, through the program to assume liabilities, the government will cover 10 percent of CFE's debt, about 360 billion pesos, in 3 years.

[Question] Based on the public service, does it sound logical to raise rates and, at the same time, exempt the company from its debt? Why not ease the burden on the users?

[Answer] It's inevitable. The company contracted a debt to back its development, and it is very large. That doesn't mean that it is not viable or that it is inefficient. In fact, the company's problems stem from its public finances. We have been told that the spending is to be rescheduled. This is not a matter for CEF, rather, for the all-encompassing secretariats: planning and finance.

Well, despite the fact that the economic stagnation indicates that it will last several years, the electricity supply will be insufficient, and the lack of resources has become chronic, the leader of the electrical workers, Leonardo Rodriguez Alcaine evinces an optimistic smile:

"The shortage cannot be permanent. A country cannot remain static for long." And he tempers the concerns in his manner: "We must feed our fellow countrymen, and we are engaged in that, in seeing what we should do. But we do intend to take food to the people of Mexico."

2909
CSO: 3248/275

SALINAS DE GORTARI AFFIRMS COMMITMENT TO AUSTERITY

Mexico City EXCELSIOR in Spanish 27 Feb 86 pp 1-A, 11-A, 30-A

[Excerpt] Yesterday, planning and budget secretary Carlos Salinas de Gortari cautioned that the renegotiation of the debt does not mean the abandonment of austerity in public spending, and that Mexico is applying the weight of the moral authority that its responsible behavior has lent it to contribute to the solution of the world's economic problems.

Participating in the 10th session on consensus and analysis of construction trends, organized by the Housing Construction Promotion Center, A.C., at a hotel in the capital, the official also noted that the major progress that has taken place during the past 3 years in the realm of coping with current situations and structural change cannot be sidetracked nor abandoned.

Commenting on President Miguel de la Madrid's message to the people, delivered last Friday, Salinas de Gortari said that the present circumstances must not cause the nation to come to a halt, and gave assurance that we shall continue to do our part, which we must do; but we are living in a deeply interdependent world in which the sacrifice of one people or one society does not suffice for making progress if, at the same time, there is no recognition of shared international responsibility in the complex economic matters which are affecting all nations today."

2909
CSO: 3248/223

COPARMEX COUNSELOR URGES DEBT SERVICING, OIL PRICE LINKAGE

Mexico City EXCELSIOR in Spanish 25 Feb 86 STATES section p 1

[Text] Tijuana, Baja California Norte, 24 February--The counselor of the Employers Confederation of the Mexican Republic (COPARMEX), Vitelio Lanz Mora, declared that, if the decline in oil prices continues, there should also be a reduction in the interest paid by Mexico for the foreign debt service.

Should the same policy for paying our international financial commitments continue, on the same terms, despite the decline in the price of hydrocarbons, "it would mean continuing with the same mistake."

He added: "The budget that Mexican Petroleum had would mean turning our backs on the problems, instead of facing them."

The leader of the oil sector expressed the view that it was possible, with the drop in hydrocarbon prices, that the carburetants sold in Mexico would undergo an increase, to withstand the decline in foreign exchange derived from exports.

He commented that the budget which Mexican Petroleum had scheduled to procure was 60 percent, with the rest obtained from internal transactions; but, with the decline in sales abroad, this might vary drastically.

PEMEX will necessarily have to raise its internal earnings, he went on to say, and will only achieve this through an increase in the price of gasolines and derivatives on the national market.

Lanz Mora maintained that, because of this, there will be a strong inflationary spiral; because it has been proven on various occasions that an increase in fuel prices causes an escalation of price hikes for other goods and services.

Therefore, he noted, in view of the international and national oil crises, only two courses of action are left: changes of a populist type, and radical ones. The former would only continue the economic problems; and the others could surmount the current ills.

2909
CSO: 3248/275

MEXICO

BRIEFS

PSUM AT JAPANESE COMMUNIST CONGRESS--During the second half of November, the Japanese Communist Party held its 17th congress and attending, as representative of PSUM [Unified Socialist Party of Mexico] was Ivan Garcia Solis, member of the Central Committee and the Political Commision, as well as secretary general of PSUM in the Federal District. [Excerpt] [Mexico City ASI ES in Spanish No 163 20 Dec 85 p 19] 2909

CENTRAL AMERICAN DEPORTATION FIGURES--Tapachula, Chiapas, 21 January--Fernando Perez Dominguez, director of immigration services in the state, announced that, every day, over 200 undocumented Central Americans are being deported to their countries of origin. The immigration official explained that the undocumented persons have only local permits with which they are able to reach Tapachula. He added that the investigations of the Central Americans attempting to invade Mexico illegally are conducted by agents from that department and the municipal police. Most of the illegal individuals are caught at the checkpoint stations in the municipalities of Arriaga, Juchitan, and Oaxaca. Perez Dominguez also commented on the corruption in the department: "Those who take advantage of their job to commit unlawful acts, or who are caught in acts of extortion, or making improper use of their employment, will be dismissed." He concluded by saying: "Some cases have already been turned over to the deputy agents in Comitan, Talisman, Union Juarez, and Ciudad Hidalgo." Campeche, Camp., 21 January--The head of the Mexican Commission on Refugee Assistance in this state, Laura Carrera, announced that, next week, 10 Guatemalan refugee families would be repatriated at their own request; she claimed that this was not associated with the change in the neighboring country's cabinet. [Text] [Mexico City EXCELSIOR in Spanish 22 Jan 86 STATES section pp 1, 4] 2909

U.S.-BOUND CENTRAL AMERICANS DEPORTED--Tapachula, Chiapas, 27 January--Over 50 undocumented Central Americans were deported upon being intercepted at the border checkpoint station in Talisman by agents from the Mexican Immigration Service, according to reports from the agent of the latter department, Fernando Perez Dominguez. He remarked that the capture took place after they had crossed the Suchiate River bordering Guatemala. They were later transferred to the municipal jail. Involved were two Hondurans, 21 Salvadorans, and 31 Guatemalans, who were attempting to enter the country illegally in order to head for the United States subsequently, for the purpose of seeking job opportunities, as Perez Dominguez noted. He said that another checkpoint station was set up in the municipality of Arriaga, where the shift in direction is made to the state capital or to reach Oaxacan territory; and, for this reason, it was decided to reinforce the checkpoint with additional forces, who are regularly capturing between 80 and 108 undocumented persons. The chief of immigration services added that over 1,000 Central Americans have been caught, doubling the efficiency of the surveillance; because during 1985 the monthly average number of undocumented persons captured was 580. [Excerpt] [Mexico City EXCELSIOR in Spanish 28 Jan 86 STATES section pp 1, 4] 2909

CSO: 3248/223

NICARAGUA

DISILLUSION WITH SANDINISTAS GROWS IN SOCIALIST INTERNATIONAL

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 Feb 86 pp 1, 2

[Article by C.G., datelined Bonn, 14 February: "Wischnewski now Skeptical About 'Sandinist Democracy'; 'Socialist International' Visits Latin America; Against Military Actions"]

[Text] The Socialist International (SI) seems to change its opinion about Nicaragua. After a 12-day trip through Central America, SPD foreign policy specialist Wischnewski expressed worry in Bonn on Friday about the development within the party of the Sandinists. Wischnewski reported that all members of the SI group to which he had belonged were of the same opinion. "The situation in Central America continues to be extremely dangerous." Wischnewski compared the present situation in Nicaragua with that of a year ago; the SPD politician had been in the country in January 1985. Since then the economic situation has decisively worsened. The U.S. boycott shows effects. However, the military situation has improved in favor of the Sandinists. Most "Contras"--who offer resistance to the regime--are outside the country.

In Wischnewski's opinion, Nicaragua's domestic condition is characterized by a "significant worsening." "There is no positive development in the direction of democracy." According to Wischnewski's information, all opposition parties raise serious complaints against the Sandinists. In contrast to 1985, this also applies to the opposition parties which formerly had cooperated with the Sandinists in parliament. Wischnewski was "deeply moved" by their descriptions. Since 1985 the lines of communications between the Sandinist leadership and the Church have also broken down. A change as compared to January 1985 is noted by Wischnewski in the fact that the Sandinists are less worried about their international reputation. Nevertheless the SI group conducted a "frank discussion" with its Sandinist partners in the talks. Anyhow Wischnewski reported of a promise by them to resume the talks with the Church. The SI delegation concluded from the discussions in Managua that the promises of the Sandinists could "not suffice for an internal reconciliation." Wischnewski also mentioned the criticism by SPD Bundestag deputy Klose and by Amnesty International of the violations of human rights in Nicaragua. Wischnewski spoke of "short-term detentions to put people under pressure." Things like that must be condemned. "I would consider myself dishonest if I failed to repeat my impressions as they are." But Wischnewski placed emphasis on the account that the worst violations of human rights are committed not by the Sandinists but by the "Contras."

Nicaragua cannot be classified as a communist country, Wischnewski said. "There are opposition parties whose activity is, however, considerably restricted; there is an opposition press and a strong position of the Church."

Wischnewski's biggest worry was connected with the path of the Sandinist party: "Its structures point in a direction which is not democratic." This is reflected in dealing especially with those opposition forces who are represented in the parliament and who have now joined the chorus of those outside the parliament and those beyond the borders. But thus far nothing has an "irreversible effect," Wischnewski said. All of the SI is in favor of stronger support of the Contadora peace plans by the European Community. There must be a "Latin American solution." The SPD favors pluralist democracy in all countries of Central America, is opposed to military actions, also to any support of groups which want to act by force against constitutional orders. In Nicaragua the conditions for a "dialogue" must be created whose objective must be reconciliation. But the choice of the partners in the talks must be decided in Managua.

The SI group also held talks in Washington. According to Wischnewski's description, agreement was reached there on the assessment of a necessary reconciliation of the fighting groups in Nicaragua while there was no agreement in the question of support of the "Contras" by the United States. The SI group wants to send a report on its exploratory talks in Venzuela, Costa Rica, Nicaragua, Guatemala, and Mexico and on its talks with eight Latin American foreign ministers to the U.S. Congress. It also wants to report on the SI congress in Lima in June.

12356
CSO: 3620/601

PERU

ARMY COMMANDER ON SUBVERSION, HUMAN RIGHTS, OTHER ISSUES

Lima CARETAS in Spanish 10 Feb 86 pp 26, 27, 28, 46

[Interview with Gen Guillermo Monzon Arrunategui, Army commander and president of the Joint Command, by Jose Gonzalez M.--date and place not given]

[Excerpts] In a particularly violent and hectic week, Commanding General of the Army and President of the Joint Command Army Gen Guillermo Monzon Arrunategui granted the following interview to CARETAS. It is the first he has granted to any of the printed media and his statements touch on points ranging from the counterinsurgency struggle to human rights, the petroleum contacts and the Army position on disarming.

[Gonzalez] The human rights issue has been one of the main problems that the Armed Forces has had to face in the past few years. Either directly or indirectly, the political-military heads of the emergency zone have been replaced in the past 2 years because of matters connected with human rights. What has the Army done in this regard after Accomarca and the return of the "penitents of Lloshegua?"

[Monzon Arrunategui] It is always difficult to assess what the Army did in the past because, as I told you, the men in charge of fighting subversion try to persuade terrorists to end their struggle and return to their normal lives. However, if the terrorists do not give up their plans and insist on waging an armed struggle, then the only alternative is confrontation. When there is a confrontation, the human rights issue is often used to criticize the Armed Forces. Frequently this criticism is from the viewpoint of the subversive movement and serves to support, although not always, the actions of subversive groups. I believe considerable progress has been made, because the townspeople have approved the behavior of the forces of order in general and of the Army in particular. After all, the Army has been in closer contact with the people. They understand the Army's duties and they cooperate. Moreover, some towns have asked that military garrisons be established in several areas for protection and to help solve some of the towns' problems.

[Gonzalez] Early this week, a local newspaper reported a massacre tacitly implicating the Army. The newspaper said that 3,000 people died and that helicopter raids were staged. The Joint Command replied by issuing a communique that flatly denied the massacre. What can you tell us about that?

[Monzon Arrunategui] I can tell you what the communique stated. Moreover, I can show you a document with remarks by the authorities of the area, who denied the massacre. Eleven peasant leaders of the area supported the statement by Cesar Bazan Quintanilla, the justice of the peace in Incahuasi. We also have a statement by Agustin Tello Panava, a Lucmahuaico resident. These people said that the forces of order have never engaged in any massacre and that terrorists had been detected in Chapi and Lucmahuaico.

[Gonzalez] In the past, Army members have been charged with human rights violations. Even though denied at the beginning, the charges later turned out to be true. This has fostered distrust in the military courts. Many people maintain that there are frictions between the civilian and the military courts, and wonder what is happening to the military courts?

[Monzon Arrunategui] The armed subversive struggle never comes alone. It is always coupled with a great display of information, which has psychological effects. We should not fail to recall that one of the objectives of the subversive movement is to drive wedges between the people and the authorities and to destroy the people's confidence in the institutions to facilitate the subversive struggle.

The military courts have their own procedures, which are properly applied in keeping with the existing regulations and resolutions.

[Gonzalez] It has been said that a new strategy has been adopted in the fight against subversion....

[Monzon Arrunategui] We are always analyzing the situation. We do not wait until the end of any specific period of time to review our information; we watch what is happening every day, and when the situation changes we act accordingly. Therefore, ours is a changing strategy, which depends on how the situation develops. This does not mean that we wait until something happens to react accordingly; we are not on the defensive. We analyze the situation and make our projections. Thus, we know in advance what might happen.

[Gonzalez] In his book "La Lucha Contra la Insurgencia" (The Fight Against Insurgency), David Galula points out that "victory can be achieved not by destroying the insurgents, but by isolating them from the people." You were in emergency zone No 5 last week. Taking Galula's views into account, what is the Army doing in Ayacucho and Huancavelica, in terms of antiterrorist actions?

[Monzon Arrunategui] Subversion is a multifaceted process. We should consider the propaganda that promotes subversion and that seeks to win the people's support. There is also the indoctrination, the efforts to awaken the people's awareness, and the intimidating terrorist attacks to force those who are still undecided to join subversion. Finally, there are the armed groups. We have made considerable progress regarding the control of subversive propaganda, terrorist attacks, and armed groups. The situation in the cities, Ayacucho in particular, has returned to normal.

Not only have we tried to eliminate the terrorists, we have tried to win the support of the people, who should properly assess their needs, which subversion has disregarded. However, if recalcitrant armed groups continue to attack the towns, it will be necessary to confront them and neutralize them.

[Gonzalez] During your visit to emergency zone No 5 you said that "subversion has not yet disappeared." The possibility of lifting the state of emergency has been recently mentioned....

[Monzon Arrunategui] We have made significant advances in the countersubversive struggle and we have met our objective in extensive areas. Yet, subversive actions continue as isolated armed operations. The process of indoctrination persists in the schools, and those who complete the training period can then engage in the armed struggle. For reasons such as this, we have decided that it is not yet time to lift the state of emergency.

[Gonzalez] Is the Shining Path under control militarily?

[Monzon Arrunategui] We have extensive areas in the emergency zone under control by the Forces of Order. The presence of Shining Path there is nonexistent or minimal.

[Gonzalez] A few days ago, President Alan Garcia denounced the existence of "a new violence that is quite professional and mysterious." Does the Army share this opinion?

[Monzon Arrunategui] The Army cannot criticize the ideas and positions of the citizens, even less those of the President of the Republic and supreme commander of the Armed Forces. I believe that any Peruvian citizen would believe the President's words within the current situation.

[Gonzalez] A chain of military governments was replaced by a government elected by the people, which was in turn replaced by the current democratic government. How can you describe the current relations between the Armed Forces and President Garcia's administration?

[Monzon Arrunategui] I believe that it is easy to see that relations are normal, and good for the country's institutional life. These relations are maintained within the constitutional framework. There is mutual respect because there is respect for the law. The Armed Forces and the government have a good relationship and discuss the important questions.

[Gonzalez] There has been much speculation about the opinion of the Armed Forces Joint Command in the case of the oil contracts. Questions have been raised about Armed Forces participation in the technical aspects of the contracts. Or were they only involved in aspects of national defense?

[Monzon Arrunategui] The current law that calls upon the Armed Forces to give their opinion does not specify what kind of opinion. It simply says that a number of institutions, the Armed Forces among them, "...will give their favorable opinion." It says nothing about what the opinion should concern. Since the law does not establish limitations, it can be understood that the opinion can be general, or restricted to national defense. We complied with the law by submitting a document containing our views to the pertinent agency, and waited for the results of the process that the contracts must follow.

[Gonzalez] But there are those who speculate that the Armed Forces have viewed the contract in very harsh terms and this has not been officially denied.

[Monzon Arrunategui] I can answer you from two viewpoints: Our foreign relations are well known by all, in that I believe there is a dynamic policy of rapprochement and understanding with other countries. We have a series of actions in different fields with the ultimate objective of identifying ourselves with our neighboring countries and those of the subregion; and the military sector, in which our armies [within the region] maintain good relations and undertake joint programs to understand better our activities, exchange information and avoid problems.

[Gonzalez] The Peruvian and Chilean military chiefs are meeting for the first time in Lima in May to discuss disarmament proposals. Two weeks ago the armed forces commanders met at the Foreign Ministry with Foreign Ministry officials to discuss the guidelines of the Peruvian proposals. What are you evaluating? Are you proposing a freeze on the purchase of arms or a limitation on the purchase of arms? What are the parameters to achieve disarmament taking into account that Chile has a much more developed military industry than Peru? If a freeze on the purchase of arms is achieved, what will be done with obsolete equipment and how will you plan to renew it?

[Monzon Arrunategui] Regarding all these concerns all I can say is that it is in keeping with government policy which of course has a political objective. This is the real framework of all these negotiations and studies. Within the political framework, the Armed Forces also aims to achieve certain objectives. These cannot be in keeping with someone's personal whim. It must be the result of teamwork. There has already been a preliminary meeting during which we discussed certain guidelines and we agreed to establish two task groups: a political task group that will include Armed Forces representatives and a technical-military task group that willl include political representatives.

[Gonzalez] In an interview he granted to CARETAS, the war minister talked about a "reorganization" within the Army aimed at decreasing the number of active members....

[Monzon Arrunategui] There are several factors that are involved in all this. The number of Army troops is the result of the Army's structure itself, the mission assigned to the different bodies making up the Army, and the equipment it has. It is also related to the austerity program in the fiscal sector. This is a program which is being implemented. The structure must be agile, so as to assure effectiveness; and flexible, to be able to adapt itself to the different situations that may arise. For example, an Army that is normally trained to act on an international level is now also being trained to act on the domestic level.

ROCA CACERES ON FELIPE GONZALEZ VISIT, SOCIALIST INTERNATIONAL

PY211820 Madrid EFE in Spanish 2235 GMT 20 Feb 86

[Text] Lima, 20 Feb (EFE)--Carlos Roca Caceres, president of the Peruvian Chamber of Deputies' Foreign Affairs Commission, today reported that Spanish Prime Minister Felipe Gonzalez will visit Peru before 10 July.

The Peruvian congressman said that he had met with Gonzalez, who had told him that he would visit Peru after the March referendum on Spain's membership in NATO and the May elections in Andalucia.

Roca Caceres, who returned to Peru on 19 February, was interviewed today by Radioprogramas del Peru.

The deputy of the governing social democratic American Popular Revolutionary Alliance [APRA] said that the international congress of the Socialist International, to be held in Lima in June, will discuss the problems that the foreign debt causes for developing countries. He said that the Peruvian decision to use only 10 percent of its export revenues to pay its foreign debt was viewed with sympathy by the Socialist International, where APRA is an observer.

When asked about the lack of solidarity offered by Latin America with the Peruvian decision regarding the foreign debt, Roca Caceres stated that in the region there are "some governments that are too dependent on and submissive to the United States." Therefore, Peru must exercise "political education," said Roca, who noted that although "there is nothing much one can do alone," the stance maintained by President Alan Garcia's government regarding the foreign debt must be defended with "courage and firmness."

/8918
CSO: 3348/458

APRA DEPUTY COMMENTS ON GARCIA'S TRUJILLO SPEECH

PY251748 Lima Radioprogramas del Peru Network in Spanish 2240 GMT 24 Feb 86

[Text] American Popular Revolutionary Alliance [APRA] Deputy Francisco Diez Canseco Tavora has stated that President Alan Garcia's Brotherhood Day speech in Trujillo was positive and that on the external front the chief of state made a positive change as far as the IMF is concerned. Tavora also stated that a new center-left political party will have to be formed by 1990 to fill the political gap between APRA and the United Left.

[Begin recording] [Reporter] Deputy Diez Canseco, what are your impressions of the speech Alan Garcia delivered in Trujillo during the APRA meeting on Fraternity Day?

[Diez Canseco] In this case we have to distinguish between the domestic and foreign fronts, as the president himself did. Regarding the domestic front, I believe it was positive to hear President Garcia say that a firm and energetic fight against subversion and terrorism has been started. However, I believe that both he and the interior minister have frequently spoken about this topic and now they must turn their words into actions.

Regarding the foreign front, I think there has been a positive change, a concern about realism we had not seen in President Garcia since the beginning of his administration. I previously expressed my concern that the economic measures should go beyond personal aspirations or the interest of staying at the top in the popularity polls, and that they should reflect a concrete and realistic desire to benefit the great majority. We are witnessing a realistic turn in the Peruvian position toward the IMF.

I believe that President Garcia's speech reveals a turn that will be healthy as long as it permits a real revival of the economy, as long as it goes beyond a speech [words indistinct] and brings us back to reality.

[Reporter] Mr Deputy, since you and President Alan Garcia are fruits and products of Victor Raul Haya de la Torre, what do you recall most about Haya de la Torre?

[Diez Canseco] I always remember Haya de la Torre's ideas and his moral (?values). He was above all types of party (?disputes). For that reason I, as an admirer, as a disciple, believe that a new option for the center has to be created so that the (?rigid) alternatives of APRA and of the United Left can be broken, which I believe might be negative for Peruvian democracy. What do I recall about Haya de la Torre? I recall his teachings, I recall his example, and I still follow many of his ideas.

/8918
CSO: 3348/458

PERU

BRIEFS

'FINANCIAL IMPERIALISM'--Mexico City, 26 Feb (NOTIMEX)--Peruvian Interior Minister Abel Salinas Izaguirre, who arrived tonight in Mexico City for a private visit, said: During these critical moments, the main need is to satisfy the needs of the Latin American people and those of the countries who have benefited from our natural resources. However, he said, to reach this goal, Latin America should act jointly to create better conditions and have an advantage in negotiations with those who are trying to oppress us with the new financial imperialism. To solve the foreign debt problem, Salinas Izaguirre said his government adopted the economic measure of pledging only 10 percent of Peru's exports to satisfy its foreign debt commitments. The Peruvian official said Alan Garcia's government is sympathetic to the position Mexico will soon adopt to meet its international financial commitments. Finally, Salinas Izaguirre said that in his opinion the word "debtor" should not be used but that these countries should be known as those who suffer the same problems from financial imperialism. [Text] [Mexico City NOTIMEX in Spanish 0450 GMT 27 Feb 86 FL] /8918

PRIEST PROMOTES 'LIBERATION THEOLOGY'--Peruvian Priest Gustavo Gutierrez has been trying to get more people to read the book "Theology of Liberation." He has asked that more copies of it be printed so it may reach more places and stir the people's conscience. This is because, in his opinion, it is closely linked to the current political situation in Latin America [words indistinct]. Among other topics, it deals with the matter of the foreign debt, which concerns Latin America, and this is good, he said. The priest asked also that the book be analyzed by ECLA [Economic Commission for Latin America], which is currently meeting in Colombia. [Text] [Havana International Service in Quechua 0000 GMT 7 Mar 86 PA] /8918

FLOOD DAMAGE REPORTS--Lima, 10 Mar (EFE)--The Peruvian Government tonight declared a state of emergency in several departments after a landslide buried 100 houses with a still undertermined number of missing people in Huanuco Department. The report gathered in Lima does not show the number of missing people, ranging from 10 to 40, according to assessments made by the deputy mayor in Huanuco, some 500 km north of Lima. The landslide occurred early on 10 March as a result of the overflow of a small lake after torrential rains, which continued today. The towns most affected to are Santa Maria del Valle, Tingo, Huayupampa and Huaracalla. In some areas, the mud was 8 meters deep. In Huanuco, in the worst flood in 20 years, the Huallaga River flooded five other towns and cut off the road linking Huanuco and Tingo Maria. The number of victims was not reported. In Southern Peru, on the Bolivian border, the government has declared a state of emergency in Puno Department where it has been raining heavily for weeks. Losses in livestock and crops have been substantial. Overflows of Lake Titicaca, 4,000 meters above sea level, have devastated 50,000 hectares and affected some 200,000 people in one of the poorest departments in the country. [Text] [Madrid EFE in Spanish 0207 GMT 11 Mar 86 PY] /8918

CSO: 3348/458

NDP ORGAN: LOCAL 'LEFTISTS' LINKED TO GUYANA'S PPP

Kingston NEW TIMES in English 13 Feb 86 p 2

[Text]

JAGAN IN KINGSTOWN

"WE LOST GRENADA,

WE MUST LIBERATE GUYANA,

THEN OTHER ISLANDS."

The above were the words of Dr Cheddi Jagan, Guyana opposition leader while in St Vincent recently. The Leader of the People's Progressive Party also said while here:

"I AM A COMMUNIST,

AND PROUD OF IT!"

Local leftists are affiliated to Jagan's P.P.P., which remains affiliated to the Communist Parties of Eastern Europe and Russia.

/9317
CSO: 3298/368

INTERNAL AFFAIRS MINISTRY REORGANIZATION PROGRAM PRESENTED

Paramaribo DE WARE TIJD in Dutch 21 Jan 86 pp 1, 5

[Text] On Monday morning Minister of Internal Affairs, District Management, and Civil Defense, Jules Wijdenbosch received the press and explained his reorganization program and actions which his Ministry will take in the coming two years.

The Minister, who was accompanied by a 15-man staff among whom were three DC's [District Commissioners] reviewed his Ministry's three directorates and explained the specific new plans which must be realized in a short time. As one of the first priorities the minister listed the renovation of the Civil Affairs Bureau, the study of Civil Service reform, more public participation in government and the setting up of radio stations in every district whose main goal would be to broadcast specific information about the area in which the station is located.

Internal Affairs

The Directorate of Internal Affairs, Minister Wijdenbosch said, deals directly with the way society functions.

This directorate has four main bureaus, namely: Citizens' Affairs, Government Affairs, Archives, and Administration of State-controlled Media.

The minister lingered for a long time on Citizens' Affairs, since this Bureau is destined for much renovation in the Census [Office] and in citizens registration. In the past, families as a whole unit were registered with this Bureau, but now each individual will be registered.

Furthermore, every citizen will shortly be issued an identification card to allow immediate identification of the individual as a resident.

This bureau has high priority as far as the minister is concerned, who, furthermore, said that the Citizens' Affairs Bureau, being a service bureau, must be closer to the people and that, therefore, service bureaus soon will be opened in the districts.

Central Registration

Citizens' Affairs registration will be centralized, according to the minister, to permit democratization to get under way, to further perfect the designation of street-names and address numbers, to set up a better organization for passport administration. Recently, business passports were issued for businessmen who travel regularly.

Good Organization Demands the Right People

A good organization demands a good work force, the minister continued. We still have a lot of work to do, since civil service recruitment has not always been done in the proper way to permit the placing of the right people in the right job. After evaluating the situation, we will have to make some changes.

Internal Affairs functions in support of the other ministries. In the coming half year we will train personnel who will be responsible for passing information on to the other bureaus. The Central Personnel Bureau will keep track of ministry goals, and define job functions so that the tasks can be performed better.

Reorganization of Government

There are about 40,000 people in government service, the minister said. Not until the Central Personnel Bureau is ready with its work, will we get a good overall picture, and know how many surplus personnel we have.

The reorganization will have to be undertaken with care, and then we will have to place the people who are hit with lay-offs in other positions or give them early retirement. The reorganization plans are still in the preparation stage, and this is being done with care.

The pensions of the poorest in our country will be reviewed and adapted, although, by comparison, we pay the best pensions. As for the religious communities, which receive State subsidies, the State will discuss with them the redefinition of how such subsidies to religion will be granted.

Cultural Treasure

The archive, Wijdenbosch continued, is the cultural treasure of every country.

Our archives have disappeared. One part [went] to the Netherlands, and one part went to France.

We will do everything possible to get these documents back.

In the second half of this year, we will definitely have our new archive at a cost of nearly 10 million guilders. I don't find that too expensive to achieve this goal.

The archive department has always been given second class treatment, and has not been accorded its proper value.

The Administrative Bureau, as one of the principal bureaus, is essential for the exchange of information between the ministries. The minister announced that a state printing office will be set up very shortly.

The reasons for this are: to prevent the release of classified material, to reduce the time needed for printing, to reduce costs, and to retain consistency in printing.

Civil Defense to actively carry out the democratization process.

We are busy with a process of democratization, according to Wijdenbosch, and the Bureaus of District Management and Civil Defense are responsible for actively carrying out this process.

They [district management and civil defense] are two sides of the same coin. In the districts we have installed groups who are working on a project tracing how management functioned over the past years, and how it is going to work in the future.

The public must participate in the development of this project.

This is why we have appointed administrative boards. They consist of an executive board and commission members.

There are two government people on the executive board and commission members are representatives of organizations that are active in the districts.

Shortly we will install a seniors' council consisting of persons 65 years of age and older, whose experiences in the district where they are appointed can be of assistance to the younger generation.

These persons will not be paid, but they will get reimbursed for expenditures. They will meet once every two months with the minister to discuss current affairs in the district. There are already youth councils, which have an advisory role.

District Cabinets

Soon every district commissioner will be given an additional bureau to coordinate the functions between the various ministries that operate in that district so that the ministries do not work along different tracks, but instead work with each other.

Shortly, there also will be a council of government commissioner.

A government commissioner will be the liaison between the district commissioners and the council of ministers through the ministry of internal affairs.

He will head a number of districts, and he will have the following responsibilities:

Forwarding plans introduced by the district's inhabitants to the council of ministers, and checking to see that these plans are carried out in the district by the DC's office. With this I mean, that as [the government commissioner] will monitor the district's affairs, and have regional control, according to Wijdenbosch.

District's Budget

Organizationally, the districts are empowered to submit their own budgets, Wijdenbosch said, which will then be implemented by the districts themselves, after approval by the council of ministers, with the aid of the youth and senior councils.

The districts will have information offices and each district will have its own radio station.

These stations will be directed specifically toward their own district, and will broadcast daily the most important activities that are going on in the district. The aim is, according to the minister, to increase the public's involvement in district affairs. He didn't think that the state radio (SRS) would be short-changed by this, and he thinks that the costs involved in the course of time will prove to have been well-spent.

Policy Toward Women

In the future a women's council and a women's center will be set up through the office of civil defense, to advise on overall policy toward women. This is something the minister would very much like to see come about.

The goal is to integrate women into civic affairs.

It is not the government's intention to eliminate the work done by existing women's organizations, rather, women's integration into civic affairs, according to the minister, must be conducted on a more country-wide scale.

13092/12955
CSO: 3214/36

NO PLANS TO SIGN INFORMATION EXCHANGE ACCORD WITH U.S.

Port-of-Spain EXPRESS in English 11 Mar 86 p 4

[Text]

NEW YORK — Although Trinidad and Tobago wants to attract more American tourists, it has no immediate plans to sign an exchange on information agreement with the U.S.

That indication has come from the U.S. manager of the Trinidad and Tobago Board of Tourism, Selwyn Joseph, who said the information exchange agreement raised some fundamental questions about its future impact and those queries would have to be answered first before any signing takes place.

"Obviously," he said in Manhattan, "the politicians in their wisdom have seen certain clauses, certain sections of that document, that need to be given further consideration before one simply goes and puts a signature on something which could have negative effects at a later date," Joseph added.

The information exchange agreement is designed to give the U.S. Treasury access to certain types of information about the financial dealings of Americans in foreign countries. States which sign such a pact with the U.S. are then designated as convention tax havens, meaning that Americans who hold conventions and professional conferences there can write off most of their expenses against their tax liabilities to the U.S.

To date, Barbados is the only CBI beneficiary country which signed the agreement, and that's so despite the fact that the island wants to become an international offshore financial centre, a place where secrecy is an important attraction.

As Joseph sees it, the fact that Barbados remains the only country to have concluded such an agreement is an indication of the concerns of other countries.

But the Trinidad and Tobago manager who acknowledged that he had to see the draft agreement, believes several U.S. companies would still select Caribbean destinations as sites for their conventions despite the fact that they couldn't write off their expenses.

"Bearing in mind that the tax benefits might not be too significant," Joseph went on, "I think there are companies out there that would be prepared to select a destination where they could combine work and vacation to suit their own needs. I am sure what they would not allow, in every instance, the fact that they could save on their taxes, to be the deciding factor in selecting a site for their conference or convention."

/9274
CSO: 3298/377

SPECIAL COUNSEL TO STUDY DRUGS COMMISSION REPORT

Allum Appointment

Port-of-Spain SUNDAY GUARDIAN in English 9 Mar 86 p 1

[Article by Norris Solomon]

[Text] The Government's unusual step in appointing a special counsel to look into and take appropriate action on the report of the Commission of Inquiry into Drug Abuse was done to ensure that none of the culprits gets away.

A reliable source described the drug report yesterday as "dynamite" and a high ranking Government source told the SUNDAY GUARDIAN that Desmond Allum, president of the Bar Association and one of the country's most outstanding criminal lawyers, would have a free hand and would have power to take whatever legal action he thought necessary.

It is understood that the machinery of the state would be available to him and he would have the full cooperation of the Director of Public Prosecutions department, should he wish it or need it.

No Precedent

The source pointed out that under the terms of Mr Allum's appointment, if he wished he could even ask the Police to initiate further investigations of anything mentioned in the report.

The source said that while the procedure was unusual in Trinidad and Tobago, it was not unheard of, and he mentioned the instance where special counsels were appointed in the Watergate scandal in the United States.

There is, however, no traceable precedent for such action in this country.

Asked about the departure from the usual practice of having the report laid in Parliament and referring it instead to a special counsel, the source said it was, feared if information in the report became public, the culprits, and others involved might be alerted and might get away.

It is understood that only the President, Ellis Clarke, and the Prime Minister, George Chambers, (apart from the commission members), know what is in the report.

Not even the Attorney General, who made the announcement in Parliament on Friday, Cabinet members nor the Director of Public Prosecutions have seen the report.

The decision to have a completely independent counsel deal with the report and initiate action, if necessary, was done, the source said, to avoid allegations of a cover-up on the part of the Government.

Criminal Field

The source pointed out that often in the past there have been allegations and charges of cover-ups made against the Attorney General's office and the Director of Public Prosecutions department, and it was to remove any doubts from the minds of the public that the decision was taken to proceed by way of an independent special counsel.

It was expected that Mr Allum was aware of the urgency and importance of the matter. Based on his experience in the criminal field, he would be in a position to carefully weigh the evidence contained in the report and make his own judgment as to whether criminal proceedings should follow, proceedings which he himself could initiate.

The Commission of Inquiry into Drug Abuse was headed by retired Court of Appeal Judge, Garvin Scott, now chairman of the Public Service Appeal.

With him on the commission were Professor Michael Beaubrun, psychiatrist, and Jim Rodriguez, who was chief security officer of the National Security Council and is now Permanent Secretary in the Ministry of National Security.

Implication of 'High Officials"

FL110204 Bridgetown CANA in English 1953 GMT 10 Mar 86

[Excerpts] Port-of-Spain, 10 Mar (CANA)--Trinidad and Tobago is abuzz with rumours that high officials have been implicated in drug trafficking by a government-appointed commission. The speculation was sparked off Friday when government announced that president of the Bar Association Desmond Allum would be appointed special counsel to implement the commission's report on drug abuse.

Meanwhile, president of the Trinidad and Tobago Human Rights Bureau Ramesh Lawrence Maharaj says Allum's appointment is unconstitutional and he will take legal action should it be carried through.

Maharaj is contending in his statement that the office of the director of public prosecutions (DPP) is the place for such a report to be dealt with.

Allum-DPP Cooperation

Port-of-Spain TRINIDAD GUARDIAN in English 11 Mar 86 p 1

[Article by Clevon Raphael]

[Text] Director of Public Prosecutions Clebert Brooks and Special Counsel Desmond Allum are fully co-operating in the post-Drug Abuse Report assignment given to Mr Allum by the State.

Disclosing this yesterday afternoon, Attorney General and Minister for Legal Affairs, Senator Russell Martineau, quoted the Constitution to support the job given to Mr Allum.

The Attorney General said in the House of Representatives last Friday that based on the report of the Commission of Inquiry, headed by retired Court of Appeal Judge Garvin Scott, Mr Allum was appointed "to examine the report and verbatim evidence, with a view to initiating whatever action he considers necessary, as a result of the disclosures made therein."

On Sunday, the Bureau of Human Rights threatened to take legal action to stop Mr Allum, a criminal lawyer, from carrying out his mandate, claiming his appointment was unconstitutional.

The Bureau also declared that in effect the appointment was usurping the functions of the office of the DPP.

Contacted yesterday, Senator Martineau expressed surprise about any apparent controversy over the move. He said there was nothing in the Constitution where the office of the DPP was concerned which stated only that person could initiate prosecutions.

No Further Comment

Senator Martineau referred the "Guardian" to the following provision:

"(a) The Director of Public Prosecutions still have power in any case in which he considers it proper to do so--

"(b) to take over and continue any such criminal proceedings that may have been instituted by any other person or authority."

"How could the DPP take over and continue' proceedings if those proceedings did not begin by somebody else?" Senator Martineau asked: He declined to comment further on the matter.

But when another source was approached, it was pointed out:

"Nobody can anticipate what course of action Mr Allum will pursue. He has his specific areas of operations and will, of course, perform those duties the best way he sees fit."

The Garvin Scott team was appointed in April 1984 to "determine the extent of drug abuse in Trinidad and Tobago."

Members were Professor Michael Beauburn and Jim Rodriguez, Permanent Secretary in the Ministry of National Security.

The sessions were conducted in private.

The report itself was still under "lock and key" and inquiries by the "Guardian" in an effort to obtain a copy were stonewalled.

According to unofficial reports, the document contains "explosive information," implicating public officials among others.

Mr Allum has not been given any deadline for the taking of "appropriate action."

/9274
CSO: 3298/377

TRINIDAD AND TOBAGO

BRIEFS

REDUCED AID TO CARICOM--Wilsie White dispatch--Plymouth, 10 Mar (CANA)--Trinidad and Tobago High Commissioner to the Eastern Caribbean Reginald Dumas says that the twin-island state can no longer afford to maintain levels of financial aid to Caricom states because of an economic downturn. We now have to concentrate on technical assistance, he said in an interview here. On the issue of trade with its neighbours, Dumas noted that Trinidad and Tobago had signed a bilateral trade agreement with Jamaica and had proposed one to Barbados. We are prepared to discuss similar arrangements with the other islands, he told CANA. Bilateral arrangements do not mean that we wish to see the destruction of Caricom he said. We have no desire to destroy Caricom but we also feel that Caricom as presently structured allows for some element of bilateral (action), particularly in the trade and air services (areas). [Excerpt] [Bridgetown CANA in English 2121 GMT 10 Mar 86 FL] /9274

CSO: 3298/377

TURKS AND CAICOS

COUNCIL OK'S NARCOTICS EVIDENCE BILL IN NOD TO U.S.

Legislative Council Action

Grand Turk TURKS AND CAICOS NEWS in English 16 Jan 86 pp 1, 2

[Text]

THE United States Narcotics Evidence Bill (similar to the one enacted in Cayman Islands last year) was passed Monday at LegCo after this Bill was discussed by Attorney-General **David Lang**, its merits extolled by Deputy Chief Minister **Robert Hall** and Development Minister **Ariel Misick** and after leader of the opposition PDM said that he would abstain from voting on the Bill.

To loud and prolonged cheering from the opposition, Chief Minister **Nathaniel Francis** in a painfully realistic statement referred to comments from "people out there" who said that the Bill would result in loss of trade here. Francis said that if this was to be the case that he meant to exact favourable terms from the Americans to offset such loss. Here he was referring to the treaty which is to be signed between this government and the US government, as a follow-up to the passing of the Bill here.

Francis said that he was going to press the United States to give some assistance and that he intended to make some demands on that government, noting that they had make up for what they were going to lose.

The Bill referred to as a controversial one in some quarters was passed with minimal comments from the opposition PDM who were making their first appearance after their boycott last December. On that occasion, nine bills had been passed in their absence by the House.

Clement Howell, leader of the opposition, however did ask as to whether the treaty between the United States and the government here would involve a reciprocal arrangement, at which Misick said there was no need for reciprocity, since these islands were a tax haven and it was hardly likely that, the government here would need to go in pursuit of similar information in the States.

He said, however, that should the need arise, he was certain co-operation would be given.

Howell also asked what were the provisions should the information required under the Bill be in the possession of a juvenile. The PNP members of the House seemed stumped for a while at this query, but then Lang said a common sense approach could surely be adopted, where the Attorney General here could get in touch with the Attorney General in the States apprising the latter of the situation and asking him if he was absolutely sure he wanted the proceedings to continue.

Speaking on the Bill, Lang noted it was one dealing with the obtaining of evidence in these islands in relation to narcotics prosecutions in the United States.

Focusing on a situation where financial centres are used for money laundering by drug profiteers, Lang said that he had no reason to suppose that in recent years there have been any money laundering, adding that if there had been he has no knowledge of it. He noted that Bill was one being enacted at the request of the UK government.

And pointing out that he was happy to state the Turks and Caicos Islands were not being singled out, the Attorney General said that similar legislation were to be enacted in other dependent territories.

He noted that the passing of the Bill was the first part of a two-document arrangement, and that in the near future, a treaty would be signed to ensure that the facilities under the Bill will not be misused.

Misick noted that the Bill had two very important limitations, the first is that proceedings and investigations must relate to narcotics and must be undertaken by the US government only, and secondly it would not cover civil proceedings between private person or civil proceedings by US government if such proceedings do not relate to drug offenses. Lang later added to this that it would include tax offences only so far as they relate to drug offences.

Minister Hall in his comments noted the Bill was proof of government's serious intention to combat drug trafficking, adding that those who have been questioning such intention would now no longer be able to do so.

Earlier Francis prefaced the readings of the Bill with comments which pivoted on the unusual situation. He said that he wanted the unusual situation to be understood and that because of the anxiety the Bill was causing, he had done what was usually not done — given Cabinet members and government scope to peruse the Bill and to express themselves on issues.

Attorney General's Comments

Grand Turk TURKS AND CAICOS NEWS in English 16 Jan 86 pp 1, 2

[Text]

ATTORNEY-GENERAL David Lang, speaking to the *News* last week on the United States Narcotics Evidence Bill (which was passed by LegCo at a special sitting on Monday) said that he was aware of concern by some members of the financial centre here of possible misuse of the Bill but referred to the Cayman Bill, a similar one and said that he has been given to understand that this Bill has not been misused.

The Attorney General on the situation in the Cayman Islands said that the agreement entered into between the Cayman Islands and the United States authorities is inclusive of safeguards to preclude suc misuse and that he has been informed by the Foreign and Commonweath Office that there is no reason to believe that the provisions of the Cayman laws have in any way been misused.

He said that pending the approval of the Narcotics Bill here, these islands will also enter into a similar agreement with the United States.

The Bill, he said, is one which only relates to drug-associated matters and when passed will allow access to documented information here if this is considered necessary for the inquiries being pursued by the authorities in the United States.

Under the provisions of the Bill, the Attorney General can be sent a certificate from the US Attorney General, stating that the latter has reasons to believe that certain named person or persons are involved in drug-related activities — the persons being so identified by the US law enforcement officers — and requesting information on the said person or persons is believed to be held in these islands.

Lang noted that the certificate will not have to say what reasons are there for such a belief, or to show that any particular drug offence has been committed.

The Attorney General here will then procede to serve a notice on the holder of the wanted information requesting that the required information be produced. Lang added that unless specifically allowed to do so by the US Attorney General, the Attorney General here would not be permitted to give warning of the notice.

The person on whom the notice is served upon is not allowed to disclose to anybody that he has been so served except to his legal adviser, who must also be bound similarly, for a period of 90 days, which may be extended to 180.

He is obliged to produce the documented information, and his failure to do so will mean that he has commited an offence for which he will be liable to a fine of $10,000 or imprisonment of two years or both.

Disclosure that such a notice has been served is an offense punishable by a fine of $1,000, or six months' imprisonment or both.

If the person fails to give the necessary information a search warrant can be issued to obtain it.

Lang noted that Turks and Caicos Islands "are by no means being singled out" for this step, adding that the Bill is one requested by the British government for all dependent territories.

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END

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Latin America Report

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HONDURAN OFFICIAL DECLARES SANDINISTAS OBSTRUCT PEACE

Tegucigalpa LA TRIBUNA in Spanish 8 Feb 86 p 2

[Excerpt] The adviser to the foreign ministry, Jorge Ramon Hernandez Alcerro, remarked that the government of Nicaragua "is totally hampering" the peace negotiations, agreeing with the statements made by visiting delegations.

He noted that another important point which they studied was that relating to the mechanisms for verification and control, "wherein there is a great deal yet to be accomplished."

Prominent among the conclusions that they reached were: the repeated desire of the Central American countries meeting together for a resumption of the negotiations associated with the Act of Contadora, acknowledging how useful the resumption of the mediation process based on the peace message from Caraballeda has been.

He also noted that they had studied the mechanisms for verification and control, attempting to establish which action must be taken for verification and which documents must be prepared to be properly prepared to put the entire mechanism for verification and control into operation.

He emphasized that the reason for Guatemala's failure to appear at the meeting which ended yesterday was that it has maintained its own individual position; but it has shared to a great extent the proposals that have been made in the Panama negotiations.

He explained that there was no discussion of the regulation of military maneuvers and arms control, "because on that point we have a very clearcut and well defined position regarding international military maneuvers."

2909
CSO: 3248/295

INTER-AMERICAN AFFAIRS

MONTEVIDEO-ASUNCION FLIGHTS TO RESUME

PY241836 Madrid EFE in Spanish 2216 GMT 22 Mar 86

[Text] Montevideo, 22 Mar (EFE)--The Uruguayan and Paraguayan airlines will resume flights between the two capitals on 1 May after the services were interrupted 20 months ago.

According to an official announcement made in Montevideo, PLUNA [Uruguayan National Airlines] and LAP [Paraguayan Air Lines] have reached agreement to provide the services twice a week, charging the same rate for tickets.

The air services between Montevideo and Asuncion were suspended after the [Uruguayan and Paraguayan] governments imposed reciprocal penalties on the two airlines after mutual accusations of violating international regulations on ticket rates, stopovers, and connections.

PLUNA sources had stated that the Uruguayan airline "is not interested in the service to Asuncion."

PLUNA Vice President Nicanor Comas on 21 March told the local press that the service is not profitable.

"The flights will be made if the government says so," Comas stressed.

He emphasized the lack of commercial interest, stating that "we will provide this service only to meet the orders from the executive branch."

The official announcement on the resumption of the services noted the role performed by Uruguayan Ambassador in Asuncion Jorge Pacheco Areco to ensure the success of the agreement between PLUNA and LAP.

/8918
CSO: 3348/463

BRIEFS

PERU LOWERS BOLIVIAN CARGO TARIFF--The Peruvian Government has adopted a series of measures that will have a significant impact on the handling of cargo to and from Bolivia. In this regard, it has been stated that the term for free storage of merchandise consigned to Bolivia has been extended from 30 to 60 days and that the text of Articles 3.08 E and 3.09 E of the "Tariff Regulations of the National Ports Enterprise [ENAPU]" has been amended, reducing the tariff on cargo in transit to Bolivia by 33 percent. Moreover, the Peruvian Government has approved Directorate Resolution No 862-85-EF/74, through which the ENAPU General Management has ordered all provincial customs authorities to suspend the collection of sales taxes for storage facilities granted to Bolivian exporters in Peruvian maritime customs. It was noted that these measures, such as suspending the charging of sales taxes, the significant drop in the tariff charged by ENAPU on Bolivian cargo in transit through Peruvian ports, the extension by 30 days of the term for storage of mentioned cargo free of charge, and other measures, represent important incentives within the framework of Peru's spirit of fraternal cooperation with Bolivia. [Text] [La Paz EL DIARIO in Spanish 5 Mar 86 p 1 PY] /8918

CSO: 3348/463

ALP SAID TO FIGHT COMMUNIST PLOTTERS: ACLM ORGAN RESPONDS

Solidity of ALP

St Johns THE WORKERS VOICE in English 15 Feb 86 p 1

[Text]

The Herald Newspaper in a recent article alluded to the idea that the Labour Party was busily destroying itself from within its own ranks. (Two or three Monkeys no spoil no show.)

For over the last four decades the country has been led by the greatest Leader in the entire Caribbean V.C. Bird Sr. He has been humble, kind, compassionate and honest. He was surrounded by men of similar character who rallied around him and moved this country forward.

Into the ranks of the movement came men who professed their love for the working class man but who in essence were greedy and power crazy. Some are Communists clothed in Democratic Garb just waiting to set up a totalitarian state ruled by the likes of Ronald Sanders who, previously was an adviser to none other than the former Guyanese Leader. The country must be mindful of the ploys adopted by these men who are desirous of destroying the fabric of our Society.

The Antigua Labour Party will survive because it was built on Solid Rock, with men who sacrificed with blood, sweat and tears. It is a party with soul and no set of individuals will be allowed to bring about the demise of this great party.

The Party requires dedicated men with characters moulded on democratic principles, rooted in the simple Philosophy of an honest day's work for an honest day's pay.

No manipulation of the party's machinery will be allowed. The constitution will be followed in its entirety in order to arrive at our leaders. The architects of the constitution have already addressed the system of Leadership change. Simply, the Leader of this country will be chosen from and by the members of this Parliament.

We must be aware of the power hungry despots who returned to this country in the seventies after the real struggle with PLM, AWU and ACLM'

May the Good Lord preserve the life of our Great Leader V. C. Bird Sr.

OUTLET's Analysis

St Johns OUTLET in English 28 Feb 86 pp 1,2

[Text]

In an absolutely stunning article, ironically captioned, "ALP IS NOT AT WAR" the bitter war in the Ruling ALP reached a new low and a new level of vicious animosity.

The Front page Workers Voice article announced that "Into the ranks of the Movement [Labour Party] came men who professed their love for the working class man but who in essence are **greedy** and **power crazy.** Some are **Communists** clothed in Democratic garb just waiting to set up a totalitarian State ruled by the likes of Ronald Sanders, who previously was an adviser to none other than the former Guyanese Leader."

The reference to Ron Sanders, known to be close to Deputy Prime Minister Lester Bird, in fact, his speech-writer, makes it clear that it was Lester Bird who returned to Antigua in 1970 who is the "Communist clothed in Democratic garb in the ruling Labour Party".

BOGEY

What is even more ironic, is that the Communist bogey, used primarily against ACLM, is now turning around on its propagators and is being used **within** the very ALP as a guillotine with which to execute contenders in the battle for succession.

Lester Bird is, at best, Center-Right in his views, and when he speaks as a Centrist, as when he defended the Grenada airport as a civilian airport opposing Reagan's claim that it was a military airport, this elementary commonsense, sounds leftist in contrast to his father's ultra-rightist, support for the criminal mining of Nicaragua's harbours, or Harris' yearning "for the colonial days" with its slave discipline. On the hand Lester Bird is an unreconstructed Rightist who functions as the hand-maiden of the foreign owners, de Savary and Rappaport for example and is often embroiled in their schemes.

The article in the Workers Voice, painted Lester Bird as a "despot" in a thinly veiled attack. Said the article "We must be aware of the power hungry despots who **returned** to this country **after** the real struggle with PLM, AWU, ACLM".

This can only be a reference to Lester Bird whom the country must be aware of and beware of since he did not take part "in the real struggle in 1968" and returned only after in 1970.

CONFUSION

Curiously, both Education Minister Harris and John St Luce, are ex-PLM members, with Harris in particular waging war against the Bird regime of 1968 "in the real struggle". The ALP is so confused, that in its utter confusion, it confuses history and all is confounded.

There is no telling where this brutal, bruising, public warfare within the ruling ALP will end. Some say it may even come to a war with weapons. Political murder has not been ruled out by observers and one faction actually expects it to be attempted.

The real root of the problem is that the ALP to defeat the PLM with new look intellectuals, discarded the old Fabians like the Hurst Brothers, Carrott, and the Sheppards, became an amalgam of Center Right led by Lester Bird, Rightists like John St Luce, who supports the IMF and publicly called after independence, for Antigua & Barbuda to be a Colony of Canada or the USA, and ultra-Rightists like Harris who "yearn for the [slave or post-slave] discipline of the colonial days". V.C. Bird, at first a Fabian Socialist then described as a 'Communist', has become an ultra-Rightist, but ties of family and blood prevent him from joining the Ultra-Rightist faction.

The key-point is that there is no way that this pot-pourri of personages who came together via APP and ALP merger can live together and **govern effectively.** It is the inherent Conservatism of the Bird regime which led it into serving as conduit for arms to the racist regime in South Africa; to put down the teachers using the police, with great force; to arrest ACLM leaders for protesting arms to the racist Pretoria regime; and to encourage and foster the unimpeded foreign domination of the country.

MISGOVERN

Nevertheless, the internal contradictions of the ALP are rooted in it, and they must explode despite the best intentions of the men involved. After the public blood-letting of the recent spate of charge and counter-charge by ministers, it is impossible even in an uneasy truce, for this pot-pourri of political personages to govern effectively. The PLM shattered for the same reason. What is possible, is that the sheer maintenance of power could keep the ALP together, with or without PM V.C. Bird, but **with** or without him, they **cannot** do anything else but misgovern.

Among the recent leaks from Cabinet as a result of the power struggle in it, is the news that after the revelations of Outlet on the arms to the racist regime in South Africa via Antigua could no longer be denied two Cabinet Ministers still insisted to keep "the arms to South Africa deal going". According to the leaks from Cabinet these two Cabinet Ministers were, Reuben Harris and then Attorney General Cosmos Phillips.

These two according to Cabinet sources cared nothing "about supporting apartheid and being seen to support apartheid with arms of all things". The two ministers insisted that "stopping the deal" would be tantamount to giving in "to Hector and ACLM" and that the other Cabinet Ministers were weak.

Noticably even though this happened, the Center-Right faction still continued to live with this ultra-rightist group who were willing to continue "to do business" with apartheid! Power and the perks of office glued them together.

/12828
CSO: 3298/371

ANTIGUA AND BARBUDA

TEAM FROM GUADELOUPE VISITS FOR OFFICIAL TALKS

St Johns HERALD in English 28 Feb 86 p 2

[Text]

The neighbouring French department of Guadeloupe, is regulating the number of persons from Eastern Caribbean territories who arrive there, especially those desiring lengthy stays, the Prefect of the Department, Mr. Maurice Saborin said this week during an official visit to St. John's

The French official headed a nine-member party which arrived on Tuesday 25th February, 1986, at the invitation of the Antigua and Barbuda Government.

Speaking with reporters from the HERALD during an exclusive interview, Mr. Saborin said nationals of this country will get special consideration because Guadeloupean authorities do not now encounter problems with Antiguans and Barbudans.

"Some East Caribbean nationals are in Guadeloupe for jobs at a time when unemployment among our people is quite high," he said.

He did not name any country, but there have been press reports of difficulties between authorities and Dominicans living in Guadeloupe. These reports speak of human rights violations against members of the Dominican Community, which have sparked off angry reactions in Roseau.

Mr. Saborin said the new visa requirements for Antigua and Barbuda nationals will be flexible and he explained that under some conditions entry will be permitted without visa.

Details of these arrangements are still being worked out between officials of Guadeloupe and the Antigua and Barbuda government.

FISHING

Antigua and Barbuda officials say Guadeloupe fishermen are illegally fishing in the country's territorial waters, and this is one of the important matters discussed during the meeting.

Mr. Saborin admitted that there have been difficulties in the past, particularly because "Guadeloupean fishermen do not always respect Antigua and Barbuda's Laws and territorial rights." He however said that contacts have been made and negotiations on a technical cooperation agreement are soon to begin at the highest levels.

Mr. Saborin, who met with Prime Minister, the Rt. Hon. Vere Bird and Foreign Minister, Lester Bird, described the discusions as "Frank" and said they were held in an amicable atmosphere.

He said further contacts will be made in the future to cover a broad range of issues including science and culture.

A team of technicians from Antigua and Barbuda is to visit Guadeloupe sometime before the end of March to continue the discussions.

/12828
CSO: 3298/371

ANTIGUA AND BARBUDA

BRIEFS

HECTOR CONVICTION--ACLM's Chairman and Acting Editor of the nation's most effective Opposition Newspaper the "Outlet" had his appeal against a six month jail sentenced dismissed by the Appeal Court during a sitting in St. John's on Monday 24th February, 1986. Mr. Hector had appealed last summer against a prison term after a magistrate found him guilty of publishing a false statement which in essence was considered to undermine confidence in a governmental minister. However, even though his conviction stands, the court has reduced the sentence from 6 months to 3 months and has also suspended sentencing until June 2nd 1986. The ACLM Chairman is already challenging the constitutionality of section 33B (b) of the Public Order Amendment Act, under which he was charged. The out come of this motion is expected to determine whether or not he would serve the three month prison term imposed on him. If this motion fails, Mr. Hector has also indicated that he is prepared to challenge the section of the Public Order Amendment Act in the Privy Council if possible. [Text] [St Johns HERALD in English 28 Feb 86 p 1] /12828

CSO: 3298/371

BRAZIL

POLAND TO BEGIN REPAYING ITS DEBT

PY181131 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 86 p 8

[Text] Brasilia--Three days of negotiations were not enough for Brazil to reach an agreement with Poland about the payment of the $1.9-billion in promissory notes that the latter owes Brazil. These promissory notes--the polenetas [internationally nonnegotiable commercial notes used by Poland to pay for Brazilian imports]--have been issued by the Warsaw government since 1981. A representative of the Polish Handlowy Bank met with Carlos Eduardo de Freitas, Brazilian Central Bank Foreign Department manager, on 11, 12, and 13 March to discuss details of a future agreement. The contacts will now continue by telephone and telex.

Freitas said that to reach a final agreement, only the spread (added risk rate), remains to be established, because the interest rate on the Polish debts will be the same as that charged on the international market when the installments are paid. Furthermore, last week's negotiations did not settle disagreements over legal clauses of the agreement. Asked if Brazil would give Poland the chance of paying the same spread [preceding word in English] --1.115 percent over libor--which the Central Bank obtained from the debtors during the last neogtiations, Freitas refused to comment, citing diplomatic reasons.

The Polish debt to Brazil has been under negotiation since 1985, when the Warsaw administration signed an "umbrella" agreement with its 17 creditors in the Paris Club. The first payment included debts due from 1982 to 1984, including the principal, the normal and the delayed interests. Last October both parties agreed that Poland would pay only the interests until 1989, while the principal would be amortized from 1990 to 1993. Carlos Eduardo Freitas said in conclusion that the date for signing the final contract has not yet been decided.

/8918
CSO: 3342/83

INTERVIEW WITH BRAZILIAN CP LEADER

AU270610 Budapest NEPSZABADSAG in Hungarian 21 Feb 86 p 4

[Interview given by Giocondo Dias, general secretary of the Communist Party of Brazil, to NEPSZABADSAG correspondent Csaba Nagy: Sour Goal is the consolidation of democracy"--date and place not given; first paragraph is paper's introduction]

[Text] Giocondo Dias has been the general secretary of the Communist Party of Brazil since 1980. He paid a visit to Hungary this week at the invitation of the MSZMP Central Committee and, on this occasion, he answered questions put to him by our correspondent Csaba Pagy.

The Party Is Concentrating On The Elections

[Nagy] In a few days it will be a year since a civilian government in Brazil was officially installed. The Communist Party, however, is still illegal. Why?

[Dias] We are living through a transitional period. We are advancing from a military tyranny toward a civilian system where it is already possible to discern certain elements of democracy. The party regards this period as a process. There are certain changes, and every sign shows that the events continue to follow this direction. In this historical period, the Communist Party is struggling for the consolidation of the elements of democratic development and for the expansion of the process.

This transitional period is leaving its mark on the activity of all the political parties in Brazil, including the Communist Party. We must switch over from the conditions of illegality to legal activity. Although the constitutional process of the party's legalization has not yet been carried out in full, as far as the necessary requirements are concerned, we have largely achieved something. Final legalization depends on when Parliament adopts the new law regulating the parties' activity. This will probably take place within this half of the year. Until then, we continue our political activity, and it is our direct task to prepare for the elections for the constitutional national assembly to be held on 15 November this year. The result of this election will be of outstanding importance from the viewpoint of the country's new constitution and its future.

With the election campaign, we wish to achieve a majority of progressive forces in the national assembly, a condition for the shaping of a democratic constitution. This is the constitutional possibility for the current trends to stabilize and the constitutional state to consolidate in Brazil, where there has not yet been, practically speaking, a real democracy.

[Nagy] What is the effect of the Brazilian Communist Party on the country's political system?

[Dias] The party's effect on the masses is adequate to its membership and its power, which are not so big for the moment but which are steadily increasing. In judging its influence, we must of course take into consideration the fact that the Communist Party has survived in Brazil in spite of several decades of persecution and in spite of the fact that many of our comrades were murdered and that the party had never been legal in its 60 years of history. Therefore, its relative influence is due to the fact that, in spite of persecutions, it has always consistently struggled for its goals, has always openly declared its policy, and has always struggled for the creation of socialism.

In the current period, we are cooperating with the progressive forces which take up the struggle against international imperialism and which struggle for national independence, social progress, and peace. These are the party's general goals. Our concrete goal, however, is--as I have already mentioned--to assist in the consolidation of the democratic political system.

We Urge The Implementation Of The Government Promises

[Nagy] President Sarrey has recently changed half of his cabinet. Last year's election of local authorities also led to considerable reorganization. What is the country heading for?

[Dias] A few words, first, about President Jose Sarney's activity: As you know, he became president of Brazil in a strange way. He took over from President Tancredo Neves, who died prior to his inauguration, and thus he inherited Tancredo Neves' government. In addition, he became president of a country which was facing extraordinary difficulties at that time. You must also know that Sarney was originally the chairman of the party favored by the military and only later did he join Neves' camp. This is the background. Taking this into consideration, our attitude toward the government is motivated by two things. On the one hand, we support every measure that is in accordance with the election promises; on the other hand, however, we criticize the government's inconsistencies and its measures that are contradictory to the country's interests. We feel that the Sarney government has been trying recently to avoid fulfilling the election promises. So, we are not talking about a government promising revolutionary changes at all. This is a liberal cabinet with certain democratic features. The changes instituted by this cabinet did not affect the relations between classes. Although there were some changes within the groups in power, practically the same classes remained in power which were there in the 21 years of military government. The most recent event proves that the election for local authorities and the changes in the domestic political relations enabled the president to carry out a cabinet reshuffle. Now, totally understandably, he appointed ministers who are committed to him personally.

[Nagy] At $110 billion, Brazil is the world's greatest debtor. What can be done in this situation?

[Dias] The civilian government is generally conducting the same economic policy as its military predecessor. There is, of course, some difference. The military dictatorship relied on recession and strictly carried out IMF regulations. This government, however, is running forward. It has even achieved some spectacular results lately. It has attained a relative independence from the IMF and is now striving to attain some sort of consolidation on the credit market through hammering out a series of agreements. This economic policy, however, cannot visibly change Brazil's dependence on the credit markets.

Brazil Must Be Open To The World

[Nagy] The new government in Brazil has taken several positive foreign policy steps. Thus, it supports the initiatives of the Contadora group in the peaceful settlement of the crisis in Central America. Is this only a matter of detail, or will there be an essential change in Brazil's foreign relations?

[Dias] There are some differences compared to the foreign policy pursued by the military government, but the general trend is the same. There is, for example, the issue of the reestablishment of diplomatic relations with Cuba. The expectations are great, there are promises, but the decisive steps have not yet been taken primarily because the government does not want to arrive at an open confrontation with the United States. There are, of course, areas--like the above mentioned Central American issue--where radical changes have taken place. Sarney is definitely supporting the plan for a peaceful settlement in the area. This position of his is indeed opposed to that of Washington. More than that, Brazil, for example, urges the integration of the countries of Latin America. The activity by which Brazil is searching for contracts and exchanges of views with the countries of the area also harms U.S. interests. This is also reflected by the efforts on the part of Washington to make Argentina and Brazil confront each other and thus avoid the joint stand of the two biggest countries to the area for the particular interests of the continent. The current government in Brazil is also strengthening its relations with the African countries, primarily with Portuguese-speaking Angola and Mozambique. Brazil is conducting a more open policy and is taking a more clear cut stand against apartheid in South Africa. It is sure that, if this process continues, the contradictions between the United States and Brazil can become deeper. This is, of course, only a supposition, but if this becomes reality, it will encourage Brazil to develop its contacts not only with the countries of the developing world, but to open up also toward the socialist states.

[Nagy] Civilian governments took over from the military in Uruguay, Argentina, and Brazil; the process of democratization is perceptible all over the continent. In your view, how does all this affect the future political development of South America?

[Dias] The presence of the elements of democracy does not yet mean a clear-cut democratization. I would rather say that the people's democratic forces and the patriotic movements have strengthened. This, however, is far from meaning the consolidation of democracy. It would be completely natural if the democratic forces in Latin America integrated and took a unified stand. This would normally lead to a situation in which they would take a joint stand in defending the particular Latin American interests not only against the United States, but also against international imperialism. Now we are living in a period of hopes and possibilities on the continent. We must struggle primarily to make sure that these possibilities become realities.

[Nagy] Thank you for the interview.

/8918
CSO: 2500/223

CHRISTIAN LEFT LEADER CITES CAUSES FOR SHIFT IN U.S. POLICY

PY182257 Santiago Radio Chilena in Spanish 1700 GMT 18 Mar 86

[Text] Christian Left leader Luis Maira has said that the statement Admiral Jose Toribio Merino Castro made that the change in U.S. policy toward Chile is due to domestic problems is mistaken and is explicable because Admiral Merino is unfamiliar with the problem. There are other causes for those changes, Maira stated.

Maira also replied to a statement by the minister secretary general of government that the minister allegedly agrees with Cardinal Juan Francisco Fresno concerning the endorsement of democracy.

In Maira's opinion, the basic reason for the changed U.S. foreign policy lies in the Central American crisis. Reagan is determined to eliminate those regimes that he considers pro-Soviet, like the one in Nicaragua, and in order to do this he must face the U.S. Congress with the same attitude toward the right-wing dictatorial regimes, Maira stated.

[Begin Maira recording] In order to be able to create better conditions to ask for assistance, allowing him to combat the Managua government, the Sandinists, President Reagan must pretend to not be too friendly. He must display an inclination toward democratic transition in countries like Paraguay and Chile where dictatorships are in power. These are the only dictatorships left in the Latin American political scene.

Therefore, [word indistinct] the U.S. policy toward Chile is directly tied with the efforts the White House is making to obtain support for the $100 million in aid it is seeking to strengthen the Nicaraguan counterrevolutionaries. [end recording]

The Chilean Government has become a discredited ally, and thus the United States is willing to sacrifice it, Maira stated.

Concerning the statement by Minister Cuadra that he agrees with Cardinal Fresno that the 1980 Constitution establishes [the restoration of] democracy and the transition toward it, the Christian Left leader said the following:

[Begin Maira recording] I believe that Minister Cuadra is playing with words. In politics, in philosophy, and in all other social sciences things are as they actually are and not as they are said to be. The government pretends to call an ostrich a turtledove. The government pretends to call democracy a dictatorship, and that is impermissible. It can be used as propaganda for some time, but this government has abused this ploy of calling democratic what clearly is authoritarian. [end recording]

Maira added that the Chilean regime lacks all the characteristics of a democracy. There are no periodic elections, there is press censorship, there is exile, there is no congress, there are illegal armed groups, and human rights are not respected. Luis Maira concluded by stating that given this picture, Cuadra's statements lack seriousness.

/9604
CSO: 3348/457

VALDES CALLS FOR PEACEFUL MOBILIZATION

Meeting With PDC Members

PY140058 Santiago Radio Chilena Network in Spanish 0100 GMT 13 Mar 86

[Speech by Christian Democratic Party, PDC, President Gabriel Valdes at PDC meeting held at Santiago's Spanish Club on 12 March to mark the new governments in Haiti and Philippines--recorded]

[Text] We are gathered here today to celebrate the victory of the Haitian and Philippine democrats. This is a new milestone of the great democratization process that put an end to the dictatorships, which embarrassed Western civilization.

We were very happy with the democratization of Argentina, Uruguay and Brazil. A few years before we also saw the democratization of Spain and Portugal. Just recently the Christian Democratic leader Vinicio Cerezo was inaugurated president of Guatemala after decades of violence and repression. [applause]

At the conclusion of the 20th century, the ideal of democracy has shown its universal value. Freedom is not born from the color of the skin but from the roots of the soul. In Haiti, the poorest country of our region and one of the 25 poorest countries of the world, where people have never known a democratic life, a heroic minority kept the hope in human dignity and was capable of ousting the tyrant for life.

From here we greet Silvio Claude [leader of the Haitian Christian Democratic Party] and our Christian Democratic brothers of that country who have renewed our belief in our capacity to liberate ourselves by our own devotion to human values. Here from Santiago we honor the thousands of Haitian martyrs, we honor those who struggled without any hope.

The international democratization movement affects the character and behavior of dictators. They all dreamed of a single dictatorship, perfect, and permanent. They all naively believed that what happened to other dictators would not happen to them. They all trusted their secret police and the loyalty of their supporters. They thought they were so clever that they made jokes about the opposition members and their ideals and values. When they thought the opposition members were too dangerous, they eliminated them.

All dictatorships have believed that the people are very naive so they tried to convince the people that they have a real democracy. All dictatorships proclaimed that they have reached wellbeing and progress. At the end all of them were blind and never saw reality until one day the people said: No more. This is what happened in the Philippines and this is why the Philippines is a sudden shock to dictators.

The democrats of the Philippines have given remarkable lessons of political know-how to defeat dictators. In the Philippines a single path was chosen for the recovery of democracy, a path without deceit or confusing rhetorics. That path was based on democratic values, methods, and practice. Millions of Filipinos showed us the power of persuasion and the energy of consciencious, discipline, and constant mobilization because democracy cannot be given partially to satisfy the dictator, who happens to be in power.

As the Philippine people wanted a new democracy they did not militarize themselves to prepare another dictatorship. Manglapus [leader of Philippine Christian Socialist Movement] had to live 2 decades in exile because of Marcos' arbitrary decisions.

Let us learn the Philippine lesson. Let us observe how they built a national movement toward democracy, a movement that spread all over the nation and involved all sectors in the struggle for democracy. This is the only way democracy can have enough strength to overcome the temptations of new dictatorships.

The National Philippine movement turned the instinct for revenge into an aspiration for justice and reconciliation. This is how the energy of democracy enhances society, and the passion for freedom cannot be anything but the passion for freedom for everyone and the careful safekeeping of the democratic credo. In other words that democratic movement encouraged human greatness and total generosity, without which any historic endeavor is impossible. The force of the democratic ideal ended by unifying the nation, the people, the church, and the Armed Forces.

Let us also learn another lesson from the Haitian and Philippine events. The end of the dictatorship and the escape of the tyrant also put an end to the entire regime, which disappeared almost instantly. One night the dictator ran away under pressure from his people. He ran away in the company of his close aides leaving behind his diehard supporters.

We are also learning a very important third lesson from the democratization process in Haiti and the Philippines. There was no chaos after the fall of the dictatorships. On the contrary, there was happiness. It was the beginning of real order, freedom, reconciliation and of course democracy.

The people of our country should know about this because it is an emphatic denial to those in power in Chile who try to create the illusion that they cannot leave the government because chaos would take over Chile. We know that that is not true. The end of the dictatorship is not chaos, it is the real beginning of reconciliation, freedom, friendship, justice, peace, and democracy. This is the only way we can build a real order, born of the people and sustained by them.

Many times we have criticized the policies of the U.S. Government which made the mistake of believing that its interests were better served by dictatorships. We have now seen with great satisfaction that the spirit of Jackson and Lincoln have been revived. Freedom and democracy is a universal task that commit all free men on earth.

We have defended the self-determination of people under the principle of respect for human rights, which is a supranational principle. In this way self-determination will not become an international clause to be used by despotic governments. Human rights and the struggle for freedom have always been rights that people advocate in all parts of the world. Dictatorships, which pretend to regard their own interests as those of the country, lable those who struggle for freedom as traitors. This is outright hypocrisy.

In an interdependent world it is useless to ignore the influence of the current great powers. The historic lesson that always prevails, however, is that democracy is achieved by nationals and that no foreign action can replace the risks and sacrifices of social mobilization carried out by nationals. [applause]

To defend its national autonomy, Chile must not be accused of violating human rights, as it has been over the last 12 years. The first prerequisite for true autonomy is to permit the unrestricted practice of civil and political rights, which, by the way, Chile committed itself to do when it signed the UN Charter and other international pacts and agreements. Democrats can distinguish dictatorship from democracy. This is why the report of the UN special observer, Mr Volio, turned out to be so frustrating for the Pinochet Government. The Costa Rican lawyer, who was educated in a democratic country, passed ultimate judgment on our nation's situation: There is no respect for peoples' self-determination in Chile. Any other man of good faith would have said the same: We Chileans do not govern ourselves.

Comrades, friends:

After Haiti and the Philippines, the conscience of the world focuses in Chile, because Chile's time has arrived. This is the time for the final option between dictatorship and democracy. We have recently witnessed pitiful maneuvers of social and political diversion. Some rightist politicians, in their reluctance to face the dilemma of democracy or dictatorship, charged us in February with having participated in the 1973 coup. They thought we were defenseless to their attacks. They believed that the question of the military coup would divide us. The rightist politicians were mistaken twice. During the convulsed historical process in the early 1970's all our leaders came forth with apt and honest explanations about the behavior of Christian Democracy. This proves that our party did the most it could to find a political and peaceful way out to the impending crisis. Today as in the past, we will exert ourselves to the utmost to find a political solution to the current crisis. Today we will act as we did in the past.

Instead of dividing us, the rightist politicians managed to unite us closer together in the face of an arbitrary, sudden, and unfounded attack. Indignantly, we reject the reference to Eduardo Frei, because his democratic testimony and his historical contribution to the nation place him above politics based on small-mindedness. [applause] When the events of 1973 come up for judgment in the court of history, all the evidence in that extreme case of political crisis will be available so that the complex truth of a social process can be sorted out. History is a process of discovery of the collective consciousness, not the stepmother of blackmail at the service of political circumstances.

The false historical polemics will spare neither the government nor the right from the obligation to make the options of the present. Nobody in Chile will escape the obligations to take an option between democracy and dictatorship. This is a clear and definite option that allows no room for deceptions or rhetorics. None of the political forces can find excuses for its conduct in the conduct of others at the moment of truth. No politician deserves to be one unless he makes a clear choice between democracy and dictatorship. [applause]

On the one hand is democracy as conceived and practiced in those countries where it is not restricted, distorted, or misrepresented; and on the other hand is dictatorship, whether of the right or the left, whether obscurantist or enlightened. This is Chile's choice, an inescapable choice. To confront this dilemma, politics must recover its greatness, because the nation is hobbled by the dictatorship's smallness. But we must be sincere. The opposition cannot repeat the mediocrity (?implicit) in the governmental measures. The time has come for clarity to do away with hypocrisy. In the midst of abuses against human rights, persecution in the universities, concealment of crimes whose perpetrators are not found, denunciations that go unheeded, persecution of those who seek the truth, insults from the government, denial of the right of defense, the interior minister spoke yesterday of a state of law, of reconciliation, of profound respect for the rights of citizens. With the same disregard for the truth, he spoke of a development of the institutions, of the spirit of legality that has characterized the government since 1973. If these statements were not so tragic, we could laugh at them. [applause]

The interior minister made a mistake with very serious consequences when he attempted to involve the Armed Forces in the responsibility of the government. Therefore, according to the minister, the Armed Forces are accountable for every action, and any criticism implies discrediting and offending the Armed Forces. He went so far as to affirm that this is a government of Chile and for Chile. We vigorously reject this attempt by the government, besieged within its isolation and failure, to invoke the name of fatherland and to take shelter behind the Armed Forces, an institution that must stand above politics. In so doing they do violence to the conscience of Chileans. With a new wrapping, the interior minister, on behalf of General Pinochet, reiterated the decision not to even take into consideration the immediate measures suggested by the National Accord for the Transition to Full Democracy.

In view of this serious and repeated refusal, the Christian Democracy charges that, despite the good will of the democrats, the door has been closed on a political solution. Therefore, we firmly proclaim that the time for mobilization making a distinction between democracy and dictatorship has arrived [long applause]. Nobody can stand aside. Democracy will be conquered by the renewed effort of the entire Chilean society, I repeat: the effort of all the Chilean society, civilian and military. The events in Manila have demonstrated that the opportunity to open the way for new hopes always exists. But hypocrisies must give way to clear and unambiguous positions. Today, we need to evaluate what we have done and to exercise self-criticism of our propositions and methods. We must take the whole task in our hands.

There can be no room for those who speculate, cling to the past, and engage in political maneuvers while the people suffer anguish and hopelessness.

We want to be in agreement with all democratic forces. [applause] Neither the PDC nor the democratic opposition can be held responsible for those sectors within the right which do not want to or cannot struggle for democracy. [applause] Furthermore, the last statements and actions by such sectors have undermined their moral right to pose demands and impose conditions on our own sociopolitical strategy. We will resolutely continue on our own course, rejecting both interference and pressure. [applause]

We want to say the same thing to the other end of the political spectrum. Ambiguities undermine the unity of democrats. Terrorism, the militarization of politics, and the irresponsible proclaimed insurrection only serve to strengthen the dictatorship and jeopardize our future democracy.

The problem is not whether we will sit and talk either in public or behind closed doors, with or without witnesses. [applause] The point is that each political movement should once and for all explain its position. The permanent fluctuations of the political movements must end and their particular positions must be specified in documents because there have been statements and actions that have disregarded the agreements reached in previous talks.

It is essential to realize that only the people, the organized citizenry, the men and women, have the secret of defeating the dictatorship. Their secret is social action and their success depends on their commitment and on their support.

We will not end the dictatorship with grandiloquent statements, individualistic attitudes, or from the comfortable position of critics.

It is not the letters, the conversations, the reciprocal criticism, or personal ambitions which will free our country. The dictatorship will not fall by itself. Neither will it fall as a result of the work done by third parties. No one will undertake the task that each and everyone of us must undertake. It is the people who can oust the dictatorship with their democratic methods and objectives.

Therefore, we need responsibility, nobleness, and greatness to achieve peace and a broad democratic accord.

We believe now is the time to demand that the truth be told because in the eyes of the world Chile appears to be country marked by deception, hypocrisy, and substantial ambiguities.

Now is the time to tell the truth in order to be free. The government conceals and distorts the truth. That is why it has imposed immoral restrictions on television and censorship on the press. [applause] The government offends and issues threats against its enemies.

Beyond our borders, it is known that women were violently repressed during their peaceful commemoration of their day. The serious repressive actions against university students and so many other base actions like crimes, arrests of political leaders, and other repressive actions have not been made public in Chile.

We should also say that the pro-government media magnify all political chicanery, traditional rivalries, and personal ambitions within the opposition. The public receives opinions and commentaries that are at times distorted.

I sincerely and respectfully believe that we must make a supreme effort to work for superior objectives and remain loyal to the truth.

We urgently need a new political style based on clear--not permanently concealed--positions.

Dictatorship cannot coexist with democracy. We advocate unity among all the democrats who struggle for democracy with democratic methods.

We will tirelessly repeat that we want a fatherland without exclusions, without hatred, with accord, with clear limits for dissent, and with unrestricted respect for human rights. In this regard we want to strengthen the Democratic Alliance, which is a major political accord upheld by parties which have sown their affinity for it in documents and in major events.

We are not, however, hiding the problems this organization is facing. In order to overcome these problems we call for a dignified attitude. We believe that its structure must be made more flexible and adaptable to the new demands.

We reiterate our decisive support for the National Accord. This is a basic document that commits us to the development of a spirit of loyalty for freedom and establishes the basis of future democracy. We admit that there are differences of strategy among the signatory members of the accord. The government's rejection of the document did not destroy the accord or paralyze its actions and we do not accept its freezing. Our proposal is to activate, improve, and disseminate the accord and to turn its immediate measures into an objective of national, political, and social mobilization.

The political parties must assume their role but it is up to every man and woman to express their will for freedom. Dear friends this is why this evening, inspired by the great efforts of the people who have put an end to the shame of dictatorships after political negotiations for change had been repeatedly closed, we call on the people to mobilize. Every sector has already made its demands. We call on the workers, students, professionals, women, teachers, transporters, businessmen, peasants, slum dwellers, scientists, homeless people, artists, and intellectuals to peacefully mobilize seeking the unity of society.

None of their legitimate demands will be solved outside democracy under a regime now oppressing us. All out mobilization must be carried out this year to show the government in all its intensity the peaceful but unyielding will of a people who want to be respected. This respect will be achieved when the people who are holding on to power realize that they must reestablish the principle of self-determination for the true reconciliation of all Chileans so that diversity can be recognized and the dignity and the opinion of everyone can be respected.

The peaceful force of Chileans must be felt, it will be felt. The Christian Democratic Party gives its most decisive support to this peaceful force. Moreover, the party commits all its members, men and women, to that action. The Christian Democratic Party renews today before the democrats of Haiti and the Philippines its commitments to work along with all democrats for the recovery of the dignity of every human being in a free and sovereign nation, in other words, in a country for all Chileans. Thank you very much.

MDP Endorsement

PY141544 Santiago Radio Chilena in Spanish 1600 GMT 13 Mar 86

[Text] The Popular Democratic Movement [MDP] has expressed support for the call by Gabriel Valdes, president of the Chrsitian Democracy, for a decisive social mobilization by all sectors of the country. However, the MDP regretted that Valdes did not respond to a proposal to form a united social and political opposition to General Pinochet's regime.

As has been reported, Valdes yesterday delivered a speech to honor the Haitian and Philippine patriots, and defined the position of his party in the face of the current political situation in Chile.

MDP President German Correa stated that Valdes' speech made important points, but omitted others. He made a fair appraisal of the social processes that led to the downfall of the Haitian and Philippine dictatorships, and of the important lessons for the struggle of the Chilean people. He also noted Gabriel Valdes' recognition of the fact that a social mobilization is fundamental to oust the regime in Chile. Correa then analyzed what, in his opinion, Valdes omitted from his speech:

[Begin Correa recording] We noticed the repetition of points of view that the Christian Democracy has stressed all along, thereby blocking the unification of the entire opposition.

In that regard, it is regettable that Mr Vlades failed to mention a proposal to create a national coordinating command for social mobilization, which has been advanced by several parties, including some parties within the Democratic Alliance. This is what all sectors of the Chilean peiple have been demanding. The people at the grassroots level are united in the fight against the regime to press their demands and to regain their rights. However, this unity must also be sought by the political leaderships in order to coordinate the mobilization and put together a national and popular proposal on what we want to do in Chile; that is, what we will propose to the people after the regime is ousted. [End recording]

Moreover, German Correa talked about the attitude the MDP will adopt regarding the mobilization and unity of the opposition that Valdes referred to in his speech.

[Begin Correa recording] We are very hopeful about and give great importance to the talks we have been holding with the Radical Party and with the Socialist Party headed by Mr Carlos Briones. We also expect to hold talks with the Republican Party, which has shown some interest in doing so, as well as with all other forces. We have already talked with the Christian Left, with the United Popular Action Movement [MAPU], and with all the forces which, just like ourselves and the rest of the opposition, deeply believe that a broad and public agreement and the unification of the opposition forces will be decisive to step up the fight against the dictatorship.

Therefore, our steps will be directed toward every effort conducive to attaining the highest degree of unity within the opposition. [End recording]

German Correa also referred to the bilateral crisis between the Chilean regime and the United States and the EEC.

[Begin Correa recording] The most meaningful fact here is the change in U.S. policy toward Chile, which is obviously in line with the goals the U.S. State Department has been seeking in view of the tremendous isolation and weakening of the dictatorial regime they contributed to impose on the Chilean people in 1973. Today, since this regime no longer possesses the force to protect pro-U.S. interests as it did in 1973, the Department of State has stopped protecting the regime and is searching for other alternatives to maintain its influence over the future of our country. [End recording]

Correa asserted that the EEC and the other Latin American countries defined their policies toward the Pinochet regime a long time ago.

However, he said in conclusion, we must not forget that securing the path that leads to democracy is, in the end, the task of all Chileans who fight for it.

PDC's Zaldivar Supports Proposal

PY141642 Santiago ANALISIS in Spanish 11-17 Mar 86 p 44

["Exclusive interview" granted to Patricio Acevedo by Chilean Christian Democratic Party, PDC, leader Andres Zaldivar--date and place not given--quotation marks as published]

[Excerpt] [Acevedo] Spokesmen of the Chilean regime have disregarded statements made by U.S. officials who have publicly expressed their concern for the prompt return of democracy in Chile. What is your opinion on how the Chilean situation is viewed in the United States?

[Zaldivar] I base my answer not only on the close contacts I have recently held with members of the Reagan administration but also with those from other U.S. institutions. This time I found that today in the United States there is a single position regarding the Chilean situation. This is completely different from the situation I found the last time I visited the United States a year ago. Today they center their concern on two important issues: democracy and human rights, which are the core of an international political campaign. This campaign grants a privileged place to our hemisphere and, therefore, to Chile. But of course, this cannot be interpreted as a manifest will to intervene in our domestic affairs. No, not at all. I believe that this is the sovereign right of any nation--and particularly that of a superpower that has international influence--which bases its line of conduct on those values we have already mentioned: democracy and respect of human rights.

The Chilean situation is not a priority case for the United States alone. It is also one for the European countries and for the entire democratic world, because it is one of the few cases in which a dictatorship is still in power after so many years. Therefore, I believe that the statements issued by the Chilean Government describing the U.S. Government statements as "intervention in domestic affairs" are not in keeping with the truth, since it is logical for the United States to adopt its own international policies in keeping with its own pattern of conduct.

What is really happening is that the Chilean Foreign Ministry is burying its head in the sand, which is characteristic of regimes that refuse to accept reality and always have a bad ending.

[Acevedo] It has been noted that social mobilization was one of the main factors used to destabilize the governments of Haiti and the Philippines. Do you believe that social mobilization in Chile could yield similar results?

[Zaldivar] Yes, indeed. I hope social mobilization yields similar results in Chile, and I am going to help in the achievement of this goal because I believe that social mobilization is the only tool that a society has available to peacefully demand the enforcement of its rights, such as the return of democracy. All Chileans have the obligation to promote a social mobilization so that the whole of Chilean society can pressure the regime--through peaceful means--to tread the path that will lead us to a real and honest democratic transition before it is too late.

[Acevedo] After a visit you paid to PDC Youth Leader Andres Palma in jail, people heard you express your complete support for what Palma said in his ANALISIS interview. Does this mean that you also support such comments by Palma as "if Pinochet does not leave power, we must overthrow him" and that this should be done "with the participation of the Armed Forces?"

[Zaldivar] Well, when I expressed my solidarity to Andres Palma, I did so in general terms. I have also said that dictators leave power either because God takes them or because the people overthrow them. But regarding the participation of the Armed Forces, I believe that any transition process to full democracy must unquestionably be achieved through an understanding between the civilians and the Armed Forces. If there is no understanding, this would mean that the civilians will have to defeat the Armed Forces, but this is not the path that either Andres Palma or I have chosen. This is what I understand he meant, and I support this statement: that is, "there is no democratic solution if there is no understanding with the Armed Forces. The other alternative--which neither I nor I believe Andres Palma is in favor--that is, to say and believe that we are going to confront the government and defeat it in the military field, is simply completely senseless."

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CSO: 3348/456

SOCIALIST BLOC AIRS MOBILIZATION PROPOSALS

'Open Letter' Published

PY142105 Santiago ANALISIS in Spanish 11-17 Mar 86 Insert

[Open letter entitled "Meeting of the Socialist Bloc. Proposals for Moving Forward" published as an insert]

[Text] The meeting of the Socialist Bloc was held on 25 and 26 January. Despite government prohibitions, in a display of civil disobedience, 400 delegates from all over the country held talks somewhere in Santiago. The proposals made to the people, to social organizations, to democratic political parties and to those who believe in socialism, are listed below. [paragraph in italics]

I. Proposal to all Chileans and to the Democratic Opposition.

1. To create a political defeat through strong unity of the opposition, with a powerful and sustained social mobilization toward our common goal of putting an end to the dark period which exists in the country.

To reject, in keeping with this objective, any attempts at holding dialogue with the dictator and the formulas that his ideologists weave to entangle the opposition in the regime's institutional web.

To promote a vast process of civil disobedience among the citizenry, so as to generate a situation of uncontrollable social upheaval that would compel the Armed Forces to step down.

To make it clear that, within this framework, the only negotiation, in which we democrats are prepared to engage are those directed at establishing conditions for an immediate reinstatement of democracy.

2. To take up the challenge of making 1986 the decisive year for ousting Pinochet and opening doors to the people's demands and aspirations, that all Chileans have, to participate and be free.

In order to carry out this desire to move forward, we call for unity and mobilization in the pursuit of the following objectives:

a. The acceptance of the list of demands proposed by the National Workers Command [CNT] through an agreement between the opposition and the social movements;

b. The call for a plebiscite to settle the conflict over the validity and the timetable of the 1980 Constitution, and the immediate reinstatement of democracy;

c. The organization and holding of a national strike with the fullest possible participation of the citizenry in order to exert pressure for the attainment of these objectives.

3. To support and strengthen the National Accord, especially its short-term measures, as the means for the attainment of a democratic concensus, which is necessary for preparing a feasible option, capable of providing a political solution to the current national crisis.

4. To firmly seek the unity of the people establishing a bloc that would support the need for change.

To step up the demands of the workers and the people making them the pillars of the platform of the united opposition. The need for jobs, justice, and participation are goals capable of uniting all of us who want a broad democracy available to all sectors of our society.

Within this framework we call upon the Christian Democratic Party for increased social disobedience, for debating, and formulating a program of changes and further democratization so as to overcome its exclusion of a certain sector of the Chilean left.

To the Communist Party and other leftwing parties we wish to convey our desire to coordinate our mutual social mobilization actions on the basis of a clear-cut commitment to the antidictatorial struggle which has been chosen by the overwhelming majority of our people, to civil disobedience of the masses, foresaking any military action and strengthening the role of the people's movement in the democratic struggle and in the quest for a solution to the nation's crisis.

It is necessary for popular and progressive sectors to carry out united political actions and to achieve an earnest cooperation among the left within the framework of an unprejudiced concept of the unity of the people.

The people, in all of their social and political diversity, must display the fact that not only are they the majority, the majority that is suffering most and is fighting hardest against the dictatorship, but also that they can supply the national project for the reconstruction of the fatherland.

II. Proposals to the Socialist People and Their Parties

1. Our national meeting has agreed to move beyond the Socialist Bloc, that is, to take advantage of the positive aspects of the political project through which this bloc has been created and to move forward toward a new pact and a broader agreement among socialists.

For the last 2 years the Socialist Bloc has been the main guiding force of the socialist policy in the country and the broadest channel for the efforts toward unity and integration with a view to a great socialist force. However, the bloc has lost its momentum and, the fact that socialism has become splintered has allowed other options to gain strength.

The time has come for a leap forward.

Unity among the various factions of the historical mainline of the Socialist Party, of the MAPU [United Popular Action Movement], of the Christian Left and of the Radical Party of leftist leanings, as well as of the thousands of independent people who believe in socialism, is essential.

2. We reaffirm the need to build a great autonomous socialist force, strong, popular and reorganized, capable of playing its role in the struggle for democracy, in the development of the people's unity in a single bloc striving for change, and in the quest for the changes for which our country's future will call.

With unity on our minds we call upon all the socialist sectors to take action in the pursuit of the following objectives:

a. Discussion and signing of a socialist commitment capable of epitomizing, to the extent possible, the concensus of this portion of the left especially in establishing common fields of action for the implementation of alliance-seeking policies.

b. Establishment, for the abovementioned objective, of a socialist Unity Commission made up of representatives of all socialist sectors on an equal footing.

c. Priority must be given to a broad socialist dialogue directed at devising a common policy and organization within its framework. In this project all active bloc members and socialist militants, from the grassroots up, must be allowed to participate actively. Special attention must be given to the creation of Socialist Unitarian Movements on every front of the masses, because these movements will have a leading role in the process of socialist unity.

d. A socialist movement must be built with the help of all those who share with us a political proposal for the country.

Finally, we call for active solidarity with Andres Palma, Aljandro Toro, and Manuel Sanhueza, who have been unjustly arrested, and for strengthening the mobilization drive among the social forces for which the Chilean women have recently set an example.

Signed: Victor Barrueto, Guillermo del Valle, Enrique Correa, Ivan Nazif, Carlos Briones, Jorge Molina, Ricardo Lagos, Ricardo Nunez, Jorge Andres Richards, Gonzalo Meza Allende, Ruth Alvarez, Carlos Estevez.

Santiago, March 1986.

Wants PDC, PCCH in Mobilization

PY120300 Madrid EFE in Spanish 1240 GMT 11 Mar 86

[Text] Santiago, 11 Mar (EFE)--The opposition coalition Socialist Bloc has urged the Christian Democratic Party (PDC) and the Communist Party (PCCH) to join "a powerful and sustained social mobilization."

The announcement was made in the "proposal to all Chileans to stage a democratic opposition," summarizing the agreements reached in their last national meeting. The Socialist Bloc includes the Socialist Party, which is led by Carlos Briones, a former interior minister under the Salvador Allende administration, and also a member of the Democratic Alliance [AD], the so-called historical faction of the Socialist Party, the United Popular Action Movement (MAPU), the Christian Left, Radical Party factions, and moderate left independents.

The Socialist Bloc urges the PDC "to strengthen the civil disobedience line" and "to overcome the stand excluding a sector of the Chilean left."

The Socialist Bloc urges the PCCH "to coordinate social mobilization actions" on the basis of the civil disobedience and "to abandon all military actions."

The proposal of the Socialist Bloc includes, as key points, the unity of all the opposition in social mobilizations, the rejection of any talks with the chief of the military regime and the acceptance, as the only grounds for possible negotiation, "the setting of the terms for an immediate restoration of democracy."

As specific goals, the Socialist Bloc proposes "the drawing up of a Chilean paper" along with the National Workers Command (CNT), which is led by Rodolfo Seguel.

The Socialist Bloc also demands the holding of a plebiscite to settle the conflict between the effectiveness and performance of the 1980 Constitution and the immediate restoration of democracy, and the "preparation and implementation of a national stoppage by all the civilian sectors pursuing these goals."

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TOP POLITICAL LEADERS DISCUSS THEIR PARTIES' POSITIONS

PY220108 Santiago ANALISIS in Spanish 18-24 Mar 86 pp 20-25

[By Pamela Jiles and Maria Jose Luque]

[Quotation marks as published]

[Text] The positive repercussions from events in Haiti and the Philippines plus the determination of many to make 1986 "the decisive year" for Chile have brought to the center of discussion the need to create a United Political Command [CPU] to coordinate and conduct the social mobilization of the opposition as a whole.

After last November's euphoria for unification at O'Higgins Park, which came in response to a call by the Democratic Alliance [AD], the question of how to proceed to a higher level of mobilization in unity remained hanging on the air. The rejection by the government of the National Accord for the Transition to Full Democracy last December increased the degree of restlessness. The parties gathered under the AD realized that the possibilities of negotiating with the regime had ended and that only the road of social mobilization was open to pressure the regime.

After the O'Higgins Park rally, the Popular Democratic Movement (MDP) took the initiative by sending a letter to the AD inviting it to take advantage of the enthusiasm for unity and to promote a broad political agreement of the entire opposition. The parties making up the AD replied separately. The Christian Democracy made public a letter to the Communist Party making the possibility for an understanding conditional upon the Communist Party's decision to disown some forms of struggle, particularly the "violent" form. The Radical Party and the Socialist Party Briones-faction were ready to talk with the MDP on the possibilities for agreement, recognizing that there were profound differences and that no previous conditions were to be required.

During the summer months there were several bilateral talks between parties and between political spokesmen and parties. The Radical Party, the Socialist Party Briones-faction, the Republican Party, the MAPU [United Popular Action Movement], the Christian Left, and the MDP participated in these talks.

Early in March, the Democratic Intransigence made attempts to attain an agreement among all the opposition parties, however in the end they were unsuccessful.

In mid-March, although everyone agrees--at least in speeches--on the need to promote a social mobilization, no United Political Command has yet been formed. The talks about a mobilization of the opposition as a whole continue at the highest level of political coordination. Many forces contend that there have been some significant advances, but still no announcement on the creation of the United Political Command is forthcoming.

ANALISIS learned that there were meetings last week in which participants include everyone from representatives of the Christian Democracy to the MDP. It also learned that the United Political Command was "in the making," but could not yet be made public.

It can be gathered from interviews with the top leaders of each party that three positions exist.

One that holds a political coordination is unnecessary at this time, and that in fact it could be detrimental for the social mobilization because of the deep differences that exist. Those who support this position (the Social Democratic Party and the Liberal Party) do not participate in the talks.

The second position proposes the immediate creation of the United Political Command, without excluding anyone or establishing conditions. This position is that of the Socialist Party Briones-faction, the Radical Party, The Republican Party, the Christian Left, the MAPU, and all the parties within the MDP, which say that they have an agreement in principle.

The third position is that of the Christian Democracy, which is about to coordinate the social mobilization among social organizations. The Christian Democracy participated in the AD as an observer only.

While the politicians are discussing, the country is waiting.... ANALISIS talked with the top leaders of each party to learn what they are talking about, what can the public expect from their discussions, and how much progress has been made in the talks.

In the opinion of Social Democratic Party President Rene Abeliuk, the social mobilization only needs to be organized at a social organization level and not at a political parties' level. Abeliuk stated that "at this moment I do not deem it necessary and in view of the current strategic differences that prevail it could even have a boomerang effect and instead of resulting in a greater social pressure it could become an obstacle. The truth is that each sector has its own point of view and attitude regarding this issue. The National Party (PN) and the National Unity Movement (MUN) are not in favor of social mobilization and some members have even voiced their opposition to it. Then there is the MDP and the Communist Party (PC) strategy that is different to that of the Democratic Alliance regarding its objectives as well as the methods of struggle.

If a political agreement between groups with such varied points of view is forced, the problem will be that there will be no type of political leadership as long as these differences exist and, in view of the country's dramatic socioeconomic situation, we run the risk of an unbridled outburst that instead of leading toward a democracy could have a completely different effect. The most positive social mobilizations staged from 1983 until now did not require a political agreement. The problem is that these mobilizations have lacked continuity and we have really been hindered by various political events that are not even worth recalling and which have already been overcome."

[Question] But, it is possible that the social organizations could possibly override the political parties?

[Answer] No, the social organizations must not be mistaken for political agreement, which has other objectives that go further than the mere problem of social mobilization, or social pressures as I prefer to call it. Within a social organization the people carry out their actions without acknowledging their preferences. During a rally no one is asked to which party he belongs. This is not important because the social sectors are moved by two motives: One, the desire for democracy and the conviction that democracy is the only way to give a real solution to the Chilean political problem. And, two, the social sectors are mobilized by their own problems. The mobilization in the universities carried out to put an end to the dictatorship that exists within them and this dictatorship is a reflection of the overall dictatorship that exists in the country. For example: In the case of Concepcion the students do not need the MDP, BS and the AD to reach an agreement regarding all the political problems, something that means creating an overall political coalition, in order to mobilize supporting these two aspirations.

[Question] And, the stoppage then, it would be the responsibility of the social organizations?

[Answer] Lets take things in order. The social mobilization that is now starting will take a determined line. And, a general strike, if that point is reached, is always the consequence of a process and not of a prior agreement that has guidelines and stages already set.

[Question] If this is not the time for political agreement, when will the time come?

[Answer] It may never be necessary. We cannot determine it at this time. The Uruguayan case is an example that an overall political agreement is not necessary for the emergence of a transition toward democracy.

"There should be something concrete in the next few days about the political coordination to promote social mobilization," said Victor Barrueto, MAPU Secretary General, who, although sick at home when we interviewed him, has followed very closely this week's talks.

He added: "We believe that the most realistic road is that of social mobilization, whether by following a joint plan drawn up by the entire opposition or by forming a public United Command that will conduct the mobilization of all political forces and social organizations. I hope that the political forces can quickly match the social forces, which have demonstrated that it is possible to reach an agreement...successfully. Since January, we have been saying that this will be the year of decision, and time is running short. The political forces must come up with a joint plan of social mobilization and civil disobedience now. It all depends on the political will."

[Question] How far advanced is the creation of the United Political Command?

[Answer] I believe that there are several positive signs. The MDP letter and attitude are quite favorable. With its generous attitude, the MDP has demonstrated its capacity to place the nation's interests ahead of its own interests. My impression is that the MDP is truly intent on seeking an agreement and on discussing everything. The Radical Party and the Socialist Party Briones-faction, which are members of the AD, have shown a firm attitude not to subject themselves to the hegemonic sector with the AD and have made a decision to take their own initiatives to facilitate the understanding.

If the understanding between MAPU and IC [Christian Left], which have expressed the need to advance toward a concrete political unity, is also considered, we have a significant number of sectors together. I don't believe the Christian Democracy will be able to resist this trend for long, and it will have to take steps toward an explicit and clear political agreement with an eye toward social mobilization."

[Question] How long will it take to form the Unified Political Command?

[Answer] By late March or early April, I believe. Sufficient agreement should be reached this month. Although the mobilization must be the first step, I do not believe that it alone will be sufficient to disloge the regime. I believe that the politicians have to support the mobilization with their capacity to enter into agreements, but they must also offer show where they are leading the mobilization. I think that the immediate measures in the National Accord for the Transition to Full Democracy command a very broad consensus that is shared by the MDP and AD sectors. These measures constitute a concrete formula for a political way out. The creation of a committee to support the immediate measures can create grounds for a broad and nonexclusive understanding among all political forces.

According to German Correa, main leader of the Almeyda-led faction of the Socialist Party, "we believe that there are good possibilities in this command because we know the will expressed by a large number of parties belonging to the Popular Democratic Movement [MDP] and the Democratic Alliance [AD]." He added that "it is public knowledge that the AD, the Republican Party, the Radical Party [PR] and the Briones-led faction of the Socialist Party [PS] favor the formation of a high-level political command to summon and coordinate the social mobilization. The MDP and its member, the PS, also proposed the same thing. The Christian Left [IC] and the United Popular Action Movement [MAPU] are also willing to form a high-level public command of this sort. The AD member parties, particularly Christian Democracy [DC], are discussing the subject within the alliance, and we are waiting for a positive final decision as soon as possible. Our intention, as well as that of many other parties, is to make progress toward the creation of a broad, public-mobilization command without exclusions."

[Question] What are the current obstacles?

[Answer] This has been stated repeatedly: the narrow and hegemonist vision of some political forces; the lack of solutions to the urgent problems of large national sectors; the lack of agreement among political sectors to make the mobilization concrete, summon it, and lead it. In fact, some progress towards this was made lately. If our objective is to really put an end to the regime as soon as possible, our position favors a meeting to try to arrive at any agreement on how to attain this objective, leaving aside the divisions imposed on us by the dictatorship due to its interest in perpetuating itself. We could try to solve the issues that divide us within a framework seeking a solution, as we did in our talks with the PR and the Briones faction of the PS.

[Question] What are you willing to give up in order to create a command?

[Answer] We could have imposed some conditions before sitting down to talk with the others but we did not do so and we do not intend to do so. What is more, we have said that we are willing to discuss all the issues that come up and are important to the group of opposition forces in order to make an agreement possible.

"We are willing to give up as much as the other political forces are willing to give up regarding the issues with which we also disagree, within a frank and democratic dialogue."

[Question] How soon should the command be formed?

[Answer] Yesterday. We are making our greatest effort to carry out political talks in order to arrive at an agreement as soon as possible. We believe before the end of March we must start organizing mobilization-coordination group including all the political forces that favor it.

Enrique Silva Cimma, president of the Radical Party, has stated that "there is room for a Great Mobilization Command that would have an essentially peaceful essence. Everyone who thinks that this national agreement should have change and emergence as a goal should join this command. We have accepted dialogue with everyone regarding these proposals: Peaceful social-political mobilization and civil disobedience. This is why the PR has taken the lead in the talks with the MDP," he added.

[Question] How far along is the creation of this command?

[Answer] I believe that it is really in an advanced stage. There has been a great consensus of opinions. It [is] our desire that within this framework all the genuine party forces of the democratic system should reach agreement; that all of us who support democracy should unite; and that all those who support the authoritarian regime should get together on the other side. All those who desire democracy should be included in the conglomerate we are talking about. There has been much advancement. We simply hope that the PDC, which we know is a very important party, will fully support these proposals.

[Question] When will the command be created?

[Answer] I cannot name a date.... I do not have a crystal ball at hand, but I believe that it must be as soon as possible. Probably in March.

[Question] And will this command be able to call for a stoppage?

[Answer] For obvious reasons I am not in a position to say what it will do. It must define the atmosphere within which we will mobilize.

"We have not yet stated our position regarding the stoppage because that would mean skipping stages. It is evident that a series of things will have to happen before the stoppage.... The problem of the stoppage has not yet been proposed."

"We are decidedly in favor of creating a United Political Command, and we have said so in several documents," said Commander Daniel Huerta, member of the Manuel Rodriguez Patriotic Front (FPMR), whose existence has more than once been referred to as an "obstacle" to the agreement between the AD and the MDP.

"We are not a party and therefore we have not participated in political coalitions or multilateral meetings," Huerta added, "but we represent the section of the people that has been the most humiliated and the most repressed, and is the most interested in putting a quickly end to the dictatorship. On behalf of these sectors, we are tired of asking for the unification of the political leadership of the opposition parties." Commander Huerta recognized that "we have held bilateral talks with various social and political organizations and told them of our interest in unity."

[Question] What actions would the United Political Command coordinate?

[Answer] The United Command would lead the struggle to topple the tyranny. This should be its aim and the only condition for membership. It should have the respect of its diversified membership and should not try to impose the hegemony of anyone. It should have a clear plan of mobilization, a timetable of action and steps to take toward the development of civil disobedience and ungovernability of the country. It should seek a total and prolonged stoppage to force the end of the dictatorship. Not everyone would resort to the same method: Some will pray, others will stop; some will not pay their taxes or U.F.-dominated debts [mortgage debts denominated in an inflation-adjusted unit of account known as the Unidad de Fomento], others will exercise their legitimate right to use violence in self-defense. All these and many other forms of struggle will be necessary to render the country ungovernable.

[Question] Honestly, what is the FPMR willing to relinquish? Would it be willing to subject itself to directives from the Unified Command?

[Question] We will not do anything against the people's interests. We are willing to talk with any understanding democrat about the character and objective of our actions. Any of our actions can be specifically discussed.... We are willing to discuss any of them with the other opposition forces and to accept their opinions and suggestions.

[Question] What would you be reluctant to give up or to discuss?

[Answer] We cannot accept discussion of our strategy because this strategy has been well thought out and for 2 years it has demonstrated its effectiveness in discharging our commitment to the people. In the Philippines, the mobilization of the people and the advances of a powerful guerrilla movement brought about the country's liberation. This frightened the Yankees into a sudden demonstration of love for democracy, which made them turn against their protegee. The Philippine military, who had supported the regime for 20 years, also suddenly fell in love with democracy. In Chile, many partisans of the regime have become disillusioned with the regime, and the Yankees have developed a sudden love for human rights, to the point of calling for a vote condemning Pinochet in the UN.

[Question] But would you be willing to be subordinated to that Unified Command for the sake of the unity of the whole opposition?

[Answer] It seems to us that it is wrong to predicate the unity of the opposition on a declaration of truce, on a change of the method of action, or on modification of the statements of one or another group. The important thing is to see how the actions of the groups can be brought to bear on the objective being sought. We are willing to discuss our actions on the basis I have just outlined.

Rafael Maroto, the MIR's, spokesman and vice president of the MDP, has stated that if up to now the United Command has not been created, it is because there have been various events such as the imposition of some sectors over others with the intention of subjecting the command to certain political sectors. Notwithstanding, Maroto also indicated that there has been a considerable advance. "I believe, luckily, that we are very close to achieving that political and social agreement," he stated.

[Question] Why so close?

[Answer] Because of the talks that we have had with several political parties and expanded political sectors. Like the MDP, we have talked with the Radical Party, PS-Briones, IC, and with MAPU demonstrating that the possibility clearly exists. The talks have taken place in a very good atmosphere, with a great degree of urgency toward achieving this unity. We have talked very frankly when expressing our doubts but we have not tried to impose a determined line.

[Question] And what is happening to the other parties that belong to the AD?

[Answer] There are great possibilities and we are very interested. We are willing to talk with all the democratic political sectors. We make no exclusions; we have not started off by excluding any democratic sector. There are great possibilities for some sectors that make up the AD but it is more difficult with others. We believe that the PDC's letter of response closed the door to the possibility of talks. But we also believe that in politics that type of position is never absolute or definitive.

[Question] Have you met with the PDC? It is true that a meeting was held on Friday 7th?

[Answer] The MDP participated and the PDC was there also. I was not there but from what I have learned the prospects are quite encouraging for reaching some type of agreement.

[Question] Some AD sectors say that accepting all of the methods that are used by the MIR and the MDP would present an obstacle. Would you be willing to discuss this point?

[Answer] Regarding that objection, the MIR's position is quite clear. It has no intention of imposing this as the only strategy.

At the same time, it cannot accept that this path be excluded just because others want it to be. This cannot be accepted because, in the face of the violence of the dictatorship, the people have the right to self-defense and to even go beyond self-defense.

[Question] The MIR does not accept prior conditions, but, would it be willing to discuss this point at the negotiating table?

[Answer] The executive boards of the MIR would have to be asked. One can come to the table and discuss any subject. All points can be discussed. But no political force should have to change its position in order to join the National Accord. In this respect, the statements of Secretary General Andres Pascal have been made known and they outline the MIR's position. The National Board released a statement that was sent to the media.

[Question] The Friday meeting that has already been mentioned--was it just another meeting or did it have more importance?

[Answer] There have been other talks. I believe that the talks with the Radical Party and other parties are of great importance. And, they cannot be overshadowed by other talks. It is just another talk. One is added to the other. It cannot be said that this will lead to a definite line. It is very important. We really value it. Maybe it will lead to a definite line, maybe not. But, what is most important is that it be as broad as possible.

[Question] Why do you say that you are sure that the current talks will bring the possibility of agreement closer?

[Answer] The conviction of all forces regarding the urgency of social, popular, and strong mobilization sometime this year has been very well clarified during these talks. We already have agreement that a real paralyzation, an extended national stoppage, will be carried out very soon. And, another aspect of the advance that has been made is that we have now realized that the long-held desire of all the Chilean people may come true, and if it is possible, if there is already a consensus, then the will to make it happen is born.

Luis Maria, coordinator general of the Christian Left, believes that there are two basic problems that have precluded the establishment of the single command for social mobilization. "One of these problems has to do with the lack of precision, maybe even disagreement, concerning the strategy that must be applied to topple the dictatorship. Everyone is claiming to want the political defeat of the dictatorship but certain tendencies seem to contradict this basic assertion. On one hand, there are some who want to combine mobilization and negotiation at an early stage, on the other hand, no final decision has been made on the extent to which strong-arm measures can be sued vis-a-vis social mobilization. At what point do the two cease to complement each other and begin to contradict each other? This is the basic problem that has so far prevented a substantial agreement among the various sectors of the opposition, but we are working to resolve it."

[Question] Why hasn't it been possible to overcome these differences so far?

[Answer] I believe that each party has a different opinion of what mobilization is, each group has a different idea of how far this mobilization should go, and has different objectives set for it. However, we have already taken a great step forward by agreeing to make mobilization our common objective. What we have to do now is to agree on a plan for joint action.

[Question] What are the prospects for such a plan?

[Answer] We are working on it. We will have it shortly, in the next few weeks or next month.

[Question] And what makes you think that this project will work out, what is the predisposition for it?

[Answer] The people are aware that the Pope's visit is approaching. This is the right time for mobilization, to put and end to the dictatorship through this mobilization. The most favorable time in terms of domestic conditions begins in 1986 and will end in early 1987. Furthermore, there is a highly decisive psychological factor, namely the international atmosphere. Today, unlike 10 years ago, there are only two dictatorships in all of South America: Pinochet's and Stroessner's and they are both experiencing crises. Over the last 3 months, two of the oldest Latin American military dictatorships collapsed: Haiti and Guatemala. Meanwhile, at the international level, Marcos' dictatorship, every bit as important a symbol as Pinochet's, also collapsed. The international status quo is proving that the people can recover their democracy. This is pressuring and influencing the behavior of Chilean political leaders.

[Questions] What are the results of the progress about which your are talking?

[Answer] Politically speaking we are taking steps that will shortly allow us to set up effective coordinating organizations. These organizations cannot be made public but they will be effective. This idea of a general staff will be implemented in practice although it may not have the public exposure we would have liked.

[Question] Why the secret, why not go public?

[Answer] It will not be secret, it will simply be confidential in the sense that it will not exercise a public political leadership, but it would never be secret in the shameful sense of the word.

[Question] Would not that reduce its effectiveness?

[Answer] It would be better for this body to be public but if it were then it would face more restrictions.

[Question] What will this body decide?

[Answer] It will draw up a single plan for mobilization and will establish the scope and set the pace for each definite action to be undertaken, and it will guarantee the active participation of the members and supporters of each organization in these sections.

Carlos Briones, Secretary General of the Socialist Party that participates in the Democratic Alliance, expressed his belief that progress has already been made toward the creation of a United Command for social mobilization, as he has understood from talks between MDP-associated parties and AD-participating parties. "We are advancing. An agreement exists in principle, and a climate of mutual respect and understanding with the MDP has developed. We have wisely set aside in the current discussions the problems we view from different perspectives, such as the problem of the form of struggle and violence. We will deal with this problem later. We did not ask the Communist Party [PC] to relinquish violence nor has the PC suggested that we give up some positions on tactics that it disagrees with. The meetings have allowed us to analyze what the social mobilization should be like, its national and unifying character encompassing the entire social body."

[Question] Has the progress extended to include other parties?

[Answer] We are awaiting the decision of Christian Democracy, [PDC] which is holding a meeting at this time (Wednesday afternoon). We also want to discuss the Unified Command question within the AD.

[Question] What are the prospects for those initiatives?

[Answer] We will make every effort to get the parties to join.

[Question] Which are the obstacles to unification?

[Answer] Some sectarianism. For instance, the PDC refused to talk with the MDP until the MDP made some sort of public confession that it disavows some forms of struggle, such as the use of violence. This is what we have called presumptive exclusion. Fundamentally, this has been an obstacle to an agreement: The assumption that social mobilization means violence. We have always contended that violence does not come from the people, but from the regime, because the system is permeated with violence. Another obstacle is the goal of the social mobilization. There have been different viewpoints. While there is consensus within the AD that the regime must end, there is no such concensus in the National Accord (AN) and National Unity Movement (MUN).

[Question] How can those obstacles be overcome and how long will it take to overcome them?

[Answer] They are being overcome, because the problems entailing ideological confrontation within the opposition are being set aside. This is not the time for ideologies. The idea that the present option in Chile is between democracy and dictatorship has gained considerable strength. We have found agreement in our talks with the MDP on the application of the immediate measures proposed by the National Accord.

[Question] How close are you to reaching an agreement?

[Answer] If you ask me whether all the agreements have been reached at this time, I would answer no. But if you ask me if there is an agreement on the creation of a Unified Command, I would say yes.

[Question] Among which parties?

[Answer] I understand that it exists among the Radical Party, the Republicans, the MAPU, and the Christian Left within the MDP.

[Question] Would the PDC be the final party?

[Answer] We will see what the PDC says.

"The fact that the political aprties have not reached an agreement does not make me nervous. I am concerned that they should be willing to support the social forces," says Jose Ruiz di Giorgio who spoke to us in his capacity as vice president of Social Democracy.

Ruiz de Griogio gave this opinion on behalf of Social Democracy: "It is practical and possible today for the political forces to decide to make their contribution so that organized social forces can reach an agreement."

[Question] But the country is waiting for the political parties to reach an agreement so they can issue a call to action through a Unified Political Command....

[Answer] A distinction should be made between what the country wants--which we do not know because no one has asked the country--and what the party activists want. We have as many interpretations of what the country wants as we have political leaders who act as spokesmen. One point is clear: An organized social world exists beyond the political leadership. More important than reaching political agreements is attaining real unity among the people through their organizations. To this effect, the political parties have to talk among themselves. My party has said this very clearly: Any talk to generate a process of mobilization helps; we are willing to talk with all the forces that represent Chilean society.

[Question] What efforts is your party making for an agreement?

[Answer] We have been talking for some time and we are still talking. We are talking with anyone who represents society...but we are not going to say publicly what we are talking about or how and when we will talk because we are confronting a dictatorship.

Reaching an agreement among the people to execute a program of mobilization is more important than signing agreements at the leadership level. Political coordination is important and to the extent that the political forces act responsibly, with consistency between their words and deeds, they may facilitate the mobilization of the whole people. The PDC has assumed this task with decision. Our party's activists at all levels have been instructed to make all possible effort to assist and not to hinder the unification of the people.

As long as we continue discussing problems publicly, writing letters publicly, as long as we continue to indulge in this game, it will absolutely impossible to advance.

[Question] How long has the PDC had this political attitude?

[Answer] The PDC has been mobilizing itself; the PDC leaders have not been in jail because they enjoy it. There have been discussions on questions such as social mobilization, the forms of mobilization, the participants, and the PDC has been there. And there is the precedent of the United Social Mobilization Command (CUMS) where the PDC, the MDP, and all the social and political protagonists participated. The thing is that the PDC has decided that in 1986 all its efforts, all its strength must be centered on making the massive social mobilization an orderly, planned process, so that it won't be the expression of sporadic and capricious actions. The party is fully committed to embarking on a plan of social mobilization and on a yet-to-be-discussed program. This plan is almost totally accepted by the other political sectors we have talked to.

[Question] When will the country have a mobilization program drawn, or at least supported, by all the opposition parties, the PDC included?

[Answer] Important steps are being taken at this time. The National Workers Command, the University Students Confederation, and the professional associations are seeking an agreement among themselves to make them the rallying point of the social forces. We hope that other sectors will join them in the near future. The basis is now being discussed for a proposal calling on the social forces to unite. If this is promoted by the political parties, I have no doubt that it can be done within a month.

There are people who signed the National Accord, which contains the Immediate Measures--meaning now, not 1989--, but who show no inclination to do anything to put an end to exiles, states of exception, restrictions to press freedom.... We have to make up our minds: Are all signers of the National Accord willing to mobilize so that the Immediate Measures can soon be implemented?

[Question] Through you, the PDC has participated in at least two meetings with the other parties, including the MDP. One was held last Friday and the other on Tuesday. What was discussed?

[Answer] I have participated in many meetings with political parties. All I can tell you is that one meeting is not important than any other.

Armando Jaramillo, president of the Democratic Alliance and the Republican Party, said that the problems of consolidating the Unified Command has to do with the old slogan that says that "the best thing to have is a good enemy." He said that the truth is that efforts have been made to prepare an extraordinarily perfect, effective and responsible mobilization plan in which all the parties have put the best of their knowledge, experience and ideas that could conciliate the greater number of wills aimed at the common goal of recovering a representative democratic regime.

[Question] How has your party contributed to this rapprochement?

[Answer] With great responsibility and acting without any complex or prejudice, we tried to evaluate what is the only reasonable, possible, and serious way to free the country from a bloodbath, and we found that it is no other way, we must accept the call for reconciliation made by the church. As the church's call did not exclude anyone, we made all the negotiations and sacrifices possible to accept the Accord. After the government rejected the Accord "we sought another alternative which is nothing more than social mobilization but in line with the church's call. We cannot mobilize with some groups and stop talking with others because they are all equally Chileans and patriots. They all want democracy, freedom and respect for Chile."

[Question] Not all the parties of the AD have such an open attitude....

[Answer] There has been a division in the AD regarding the MDP letter and answer. I am the AD president and especially because of that I cannot make any comments on this issue for the good of the alliance, therefore do not make me give an opinion.

[Question] Do you mean that you cannot talk about the obstacles for reaching an agreement?

[Answer] Yes, I can talk about that. The great obstacles are the inappropriate and ill-timed statements by some MDP elements who unfortunately and without judgment are in some aspect insisting on using violent methods.

[Question] How can that be overcome? Why has the Republican Party agreed to talk with the MDP?

[Answer] Exactly, and as I am an extravert I call things, as I see them. This is what I said to my friends in the MDP, the PCCh and the PS of Almeyda. They obviously have a point on which I also agree since I am on the middle-class, that the right for legitimate defense exists. If a human being is attacked, he has the right to defend himself by the same means. I believe that we are going to overcome this problem because beyond the beliefs of the AD or the MDP there is something else, the superior general interest of Chile. We have experienced very harsh moments with this dictatorship and we are willing to make concessions ourselves to reach an understanding and fulfill the commitment established for 1986.

[Question] When?

[Answer] I hope that by the time this publication appears my words will coincide with what has happened. I have great faith in a meeting which the PDC is going to hold tomorrow and the day after (last Tuesday and Wednesday). I believe that the PDC president is going to make a call to all the social, political, professional, student, union, and other forces to unite for mobilization to recover democracy.

[Question] Do you believe that the PDC-PCCh impasse has been overcome?

[Answer] I have no doubt. It cannot be any other way. Applying the norms of good logic it cannot be any other way.

[Question] Do you mean that the United Command is a fact?

[Answer] Yes it is and it would not be surprising if there were already at this time an agreement in principle. I know that a Single Command for Mobilization has been operating since the AD was created in 1983.

On behalf of the Communist Party, Jaime Insunza said that "the responsibility of the parties that oppose the necessary, urgent agreement is enormous." From underground, the communist leader pointed out that "there is no doubt that the people want unity. Unfortunately, the opposition so far has not formed a Unified Command, or a single directorate, or struck a political agreement. The question comes up as to why the opposition parties have not yet reached an agreement that will multiply the democratic force and bring the day of freedom closer; an agreement to confront the dictatorship that persecutes, kills, destroys the country, and oppresses millions."

As for the real chances for the attainment of an agreement, Insunza noted that "Positive advances have been made in recent weeks: The favorable reply to the MDP letter by important parties within the Democratic Alliance, the meetings and agreements of the MDP with the Radical Party, the Socialist Party Briones-faction, the Christian Left, and the MAPU, the open and generous attitude of the Republicans, the initiatives and proposals of the Democratic Intransigence, the increasing activities of the Board of the Left, the pro-unity statements by important spokesmen for the Christian Democracy, conversations and meetings are taking place. This reveals a trend, but it is not sufficient.

[Question] What is missing?

[Answer] The parties within the MDP make and will make all efforts toward that unifying agreement. We are willing to meet today and reach today all the necessary and possible agreements to create a political mechanism representing this democratic agreement.... We are also willing to strike some minor agreements that will guarantee the broadest, united, and decided mobilization now.

There are some who are worried about what the dictatorship says or can say, about what the dictatorial right may think. There are sectors worrying about what the Yankee imperialism will accept...the Yankees who are directly responsible for what has happened here in recent years.

To insist on discriminatory, sectarian, or hegemonic attitudes; to try to solve at the top what only the Chilean people can sovereignly, freely, and democratically solve; to continue assuming that the regime or sectors of the regime have democratic will, despite demonstrations to the contrary; and, more yet, to support the anticommunist campaigns is outright political blindness, scandalous insensibility to the drama of millions of Chileans--in sum, it is to prolong the tragedy of Chile.

[Question] How can these obstacles be overcome?

[Answer] There is no other way that the intensification of democratic struggle to strengthen the people's will for unity. It is also necessary that those of us who are convinced of the urgent need for a patriotic agreement take risks, take all the necessary steps and reach all the agreements possible to corner those who are obstructing and preventing an agreement by forcing them to listen to the voice of the people. We believe that it is not possible to wait indefinitely, that it is necessary to move ahead now with the people who are willing to do so. This decisive attitude will without any doubt help to make up their minds those who have not yet done so.

/8918
CSO: 3348/461

CHILE

MRS ALLENDE ON CHRISTIAN DEMOCRATIC, COMMUNIST UNITY

PY212128 Santiago Domestic Service in Spanish 1730 GMT 21 Mar 86

[Text] Hortensia Bussi de Allende has stated that no action against President Augusto Pinochet can truly succeed in Chile unless the Christian Democrats and the communists join forces.

Passing through Madrid, after attending Mario Soares' inauguration in Portugal, Allende's widow, who has not returned to Chile since 1973, stated that our country is a plain in flames and that a prolonged general stirke which is being prepared for this year, is the spark that can set the entire country afire.

Without concealing her hope, and more than that, her most fervent wish, Hortensia Bussi confirmed that 1986 will be a decisive year for the Chilean democrats. She invited the U.S. capitalists to play a positive role regarding our political process ratified by the people in the 1980 Constitution, admitting, however, that in the cases of Marcos and Duvalier it was the people who fought.

Allende's widow stated that the forces that are struggling to achieve Pinochet's downfall will accept any assistance the Reagan Administration may offer but that no U.S. option will substitute the efforts made within Chile. Hortensia Bussi had to admit that those efforts are not sufficient.

She concluded by stating that the Chilean opposition has a great responsibility for the prolongation of the military regime because of its incapability to be a unified option.

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SANTIBANEZ ON OBJECTIVES OF NEW FRONT

PY080112 Santiago COSAS in Spanish 20 Feb 86 pp 30-31

[Interview granted by Luis Angel Santibanez, president of Social Democracy, to COSAS Reporter Karen Poniachik--date and place not given]

[Excerpts] Luis Angel e Santibanez rejects the idea of leaving political activity someday. During the recess he was feeling like fish out of water, and for this reason in 1979 with other professionals he jumped into the political arena and created the Democratic Socialist Workshops, which became the Socialist Democratic Party.

Santibanez has just signed a document with the leaders of seven organizations, Radical Democracy, the Radical Civic Union, the Christian Social Movement, the National Democratic Party [PADENA], the Javiera Carrera Movement, the Social Democratic Workers Movement, and the Arturo Matte Civic Center, which will eventually give rise to a new political congolomerate called the Democratic Concord Front [Frente Democratico de Concordia--Fredeco]. Although this is yet to be seen, and although the creation of Fredeco was announced to the whole world, its consolidation is still up in the air. They are only awaiting the end of the political activity to "present the declaration of principles to the government in March."

[Poniachik] What is in principle the objective of this front?

[Santibanez] We want the transitory Article 27 of the Constitution to be amended and a plebiscite for the people to determine whether they want to vote in 1989 in an open election in which everyone votes for the president of his choice or whether they want it as is stipulated now. This is a matter of tremendous interest as far as elections are concerned and the 8-year presidential term that follows.

[Poniachik] Isn't this some sort of a National Accord among the government followers?

[Santibanez] There is a little bit of everything. There are followers and there are Christian Socialists who support the government and we, who make up a critical party which has no ministers, no officials, and no juniors, and which has very little contact with the authorities. We only talk with them, which does not mean that we support the government. Ours is an opposition, democratic, and constructive party, different from the opposition we could call obstructive and which has been led by the Democratic Alliance and by the Popular Democratic Movement [MDP].

[Poniachik] Whom do you intend to include in this call?

[Santibanez] All the Chilean democratic sectors.

[Poniachik] Also, for example, Christian Democracy...

[Santibanez] Yes. All except the MDP.

[Poniachik] You were also affiliated with some of the same parties within ADENA, and before with the Group of Eight; they both failed. Why do you think that you will now be successful?

[Santibanez] Because the objectives have been adjusted. The previous organizations were undertaken with much enthusiasm but without the appropriate safeguards and without establishing definitely what could and could not be done. Now there is more groundwork and we hope for a good result.

[Poniachik] Why do you say that?

[Santibanez] There have been more talks.

[Poniachik] With whom? With the government?

[Santibanez] And also with those who are not in the government.

[Poniachik] Using your own words, the same thing could happen that happened before and each one might seek its own particular growth.

[Santibanez] There is always the fear that that could happen. The important thing is that the actions of one will not affect the others. We who signed this document understand this and I believe that it will be easier in this manner. Moreover, we have the experience.

[Poniachik] But the signatories are almost all the same ones.

[Santibanez] Now the Independent Democratic Union [UDI] and the Movement of National Action [MAN] are not included. And neither is the National Union.

[Poniachik] But they are the ones who have been having lunch lately with the president...

[Santibanez] There are people who had lunch with the president and 2 days later signed the National Accord. This is not something to jeopardize the independence of a party. Those who have lunch with the president are just individuals.

[Poniachik] How would you place this front in the political field?

[Santibanez] Between the government and the National Accord, as a linking point. In an independent position, and of dialogue. Therefore, it could also be called Front of Dialogue.

[Poniachik] Speaking of independence, why is it necessary to present the document to the president before anything else?

[Santibanez] To prevent the same thing from happening to it that happened to the National Accord. They signed the document, they sought more signatures, and managed to achieve foreign support. But when they went to present it to the government, it claimed that it was too late. If we are in a position of dialogue with the authorities, the first thing we ought to do is give them the document.

[Poniachik] You will probably talk also with the democrats...

[Santibanez] And also with those who are in the government.

[Poniachik] And are those in the government also democrats?

[Santibanez] The military are there, and they have a different stand. They have objectives established by the Constitution, and this is democracy. For this reason it is necessary to talk to them as well.

/9604
CSO: 3348/457

PDL DEFINES STANCE ON UN HUMAN RIGHTS RESOLUTION

PY181254 Santiago Radio Chilena in Spanish 2300 GMT 17 Mar 86

[Text] The Christian Democratic Party [PDC] has stressed that there is a serious contrast between the situation that Chile is facing today at the international level and the esteem that it enjoyed in the past.

The PDC has made known its position regarding the decision of the UN Human Rights Commission, which has condemned General Pinochet's government for very serious human rights violations.

The national undersecretary of the PDC, Edgardo Riveros, read a declaration part of which reads:

[Begin recording] The resolution that was unanimously adopted by the UN Human Rights Commission condemning the violations of human rights in our country is a very important support for the democratic cause of Chileans.

After nearly 13 years in power, the regime is now observing that its international isolation is increasing every day. There is a consensus among the countries that make up the Human Rights Commission regarding the precarious situation that we Chileans are experiencing in the area of human rights. [End recording]

Edgardo Riveros also stated that it is essential to recover democracy in Chile in order to eliminate the daily abuses that the Chilean people suffer. Then, he outlined the PDC position in the wake of the UN condemnation against General Pinochet's regime.

[Begin Riveros recording] We are not happy that our country is the cause for international concern for such a regrettable situation. Chile's history demonstrates a very different reality. It was always in the lead in seeking adequate means to protect human rights when violations took place elsewhere. We never thought that we would be included among those accused of such violations.

Anyway, we Chileans know that it is not the country that is being condemned, the condemnation is against the regime that is governing it. [End recording]

International opinion has expressed its solidarity with the Chilean people and it gives its support hoping that they can find the path that will place the country in the place that it has traditionally occupied within the international community, Riveros concluded.

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CSO: 3348/457

DEMOCRATIC INTRANSIGENCE SPEAKS ON ARRESTS

PY081220 Santiago ANALISIS in Spanish 4-10 Mar 86 p 6

[Open letter published by the Democratic Intransigence Movement]

[Text] In view of the arrest of our president, Manuel Sanhueza, the Democratic Intransigence Secretariat declares:

1. Under the present regime there is no democratic state of rights, a matter which seriously affects the independence and impartiality of the courts.

The existence of the dictatorship is a serious offense to the dignity of the Chilean people, their history, and their fatherland. It is an honor therefore, for those who are persecuted to be jailed for their struggle toward freedom, democracy, justice and equality.

2. Social mobilization, civil disobedience and the use of a national stoppage are concepts that are unanimously supported by the political leaders presently in jail. These are legitimate tools of expression of the sovereign will of a people who have decided to recover their freedom and democracy.

In view of this political position, the regime bases its judicial proceedings against Manuel Sanhueza, Andres Palma, and Alejandro Toro for alleged violations of the state's domestic security law, thus admitting that it fears for the stability of the government.

The recent liberation of Haiti and the Philippines from ignomious dictatorships, thanks mainly to the decisive mobilization of the peoples of those two nations, has provoked the breaking up of institutionalized dictatorships, thus leading the Armed Forces to join the struggle and democratic desires of their peoples.

We have observed with enormous happiness that the strategy of social mobilization and civil disobedience, which we, the Democratic Intransigence, have promoted has demonstrated its historical efficiency.

3. Now is the time for unity in order to obtain democracy. We call on our people and all the social and democratic political forces to unite and to mobilize their energy to build a free Chile. The dictatorship is a synonym of violence. Only with democracy can there be justice, peace, and reconciliation. Thus, our urgency in fighting for it.

4. We express our undeniable adhesion and solidarity with Manuel Sanhueza, a constitutionalist and democrat with an exemplary career. The expression of our solidarity with Manuel Sanhueza, Andres Palma, and Alejandro Toro means an untiring struggle to obtain democracy through unity, and the mobilization for freedom of all the people.

We will promote the proposals contained in the latest document released by the Democratic Intransigence, which caused the summon against our president, because we believe that they are a positive contribution to overall unity and to the struggle of all democratic forces.

For and on behalf of the National Secretariat: Manfred Max-Neef, Juan Pablo Cardenas, Moy de Toha, Orlando Saenz, Fabiola Letelier, Rafael A. Gumucio, Fanny Pollarolo, Manuel Rioseco, Juan Manuel Alvarez, Jaime Cataldo, German Correa, Carlos Moya, Victor Sergio Mena, and Roberto Celedon.

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CSO: 3348/457

BRIEFS

FRENAO SCORES U.S. POSITION--The National Front of Autonomous Organizations (FRENAO), which is presided over by Manuel Contreras Loyola, has asked the government to review its diplomatic ties with the United States. In a public statement, the FRENAO states that in the event that U.S. Government aggression continues, the FRENAO asks that the diplomatic ties with the United States be severed and the Chilean ambassador to that country be immediately recalled. The FRENAO also asked for permission to hold a demonstration in support of Captain General Augusto Pinochet and in repudiation of what the FRENAO calls an aggression upon Chilean sovereignty on the part of the United States. In the public statement, the FRENAO supports the position of the chief of state regarding the insolent attitude of White House officials, who, in the opinion of FRENAO, through political compromises, want to negotiate the Chilean sovereignty in exchange for support for the guerrillas in Nicaragua. [Text] [Santiago Radio Chilena in Spanish 1700 GMT 21 Mar 86 PY] /8918

POLICE DISPERSE DEMONSTRATORS--Santiago, 22 Mar (AFP)--The Chilean police used water cannons to disperse groups of pro- and anti-government demonstrators who clashed today in downtown Santiago, witnesses said. The incident started when dozens of young supporters of the military regime staged a march chanting nationalist slogans and distributed leaflets attacking the Christian Democratic Party and other opposition parties to pedestrians. The marchers were intercepted by counterdemonstrators who booed the government supporters and changed antigovernment slogans, thus creating an atmosphere of tension in the Paseo Ahumada area in downtown Santiago. Carabineros personnel were deployed to the area and dispersed the rival demonstrators with water cannons. There are no reports of detentions. On 20 March 4 people were shot and 170 were detained during demonstrations staged in Santiago and in other cities as part of a drive for democracy organized by opposition groups. [Text] [Paris AFP in Spanish 0336 GMT 23 Mar 86 PY] /8918

UNIVERSITY STUDENTS DETAINED--Santiago, 20 Mar (EFE)--Eleven university students were detained today at the beginning of the drive for democracy called by all the women's organizations opposed to the military regime of General Augusto Pinochet. This report was released by Eduardo Abarzua, secretary general of the Federation of Catholic University students, FEUC. The Carabineros detained the Catholic University students while "they were distributing in a totally peaceful manner leaflets in favor of democracy," Abarzua stated. The detainees, 10 women and 1 man, have been taken to different Carabineros precinct offices in the Oriente neighborhood of Santiago. [Text] [Madrid EFE in Spanish 1549 GMT 20 Mar 86 PY] /8918

JOURNALIST'S SON ARRESTED, RELEASED--Santiago, 10 Mar (EFE)--Journalist Edwin Harrington today reported that his son Rafael, who was regarded as missing last Sunday, was detained by the Carabineros and returned to his house tonight. At the same time, a 6-year-old boy, the son of a maid working for Harrington, who this morning was "picked up" by unidentified individuals from the school where he is studying, appeared on a street corner in northern Santiago. The disappearance of young Rafael Harrington, 19, and his apparent kidnapping caused a commotion in Santiago, especially some opposition circles. Journalist Edwin Harrington is the one who, through the magazine CAUCE, in 1984 started denouncing the corruption of the military regime and its representatives. On Sunday, Rafael Harrington left for a pharmacy near his house and did not return home until tonight, saying that he had been detained by the Carabineros. Thus far, no more details are known. A warrant of protection (habeas corpus) had been filed before the apellate court for the individuals and negotiations had been conducted with the Carabineros, the investigative police, and the National Intelligence Center (CNI), organizations which denied they had arrested the individuals. [Text] [Madrid EFE in Spanish 0236 GMT 11 Mar 86] /9604

CSO: 3348/457

WIFE OF PRESIDENT-ELECT ARIAS PROFILED

San Jose RUMBO CENTROAMERICANO in Spanish 21-27 Feb 86 pp IX-XI

[Article by Sonia Vargas L.: "The President's Margarita"]

[Text] She was born on 11 October 37 years ago. Hers has been a happy life. She is a mother, wife, daughter and sister and, for the next 4 years, will be the nation's First Lady.

She is preparing to assume the role with the same spirit in which she made the most important decision of her life some time ago: to give up her own career and help her husband become president of Costa Rica.

As she marks time waiting to assume her responsibilities, Margarita Penon retains the poise, equanimity and grace that characterized her during the past election campaign.

With her sweet face and ready smile, she seems to have prepared for the role since childhood, when her world revolved around the activities of her parents, with her father Eugenio making furniture and mother Margarita busy with housework, the sewing machine and embroidery, weapons she used in putting together the clothes of her daughters Maria Eugenia and Margarita.

She was an active participant in the daily routine of the family industry, especially during the school year when, on her way to Peru School, she was accompanied by her father and awaited him before returning home together to the house on La Dolorosa.

In the midst of the hustle and bustle of the manufacture and sale of furniture, then housed in a stone building more typical of the San Jose of yore, located near the Universal Bookstore, she was able to relax.

She might busy herself arranging some corner, dusting off finished products or entertaining herself looking at materials and other items. When a customer arrived, she helped with the choice of purchases.

Margarita Martinez, her grade school teacher, is still very vivid in her memory, for it was her peraonltiy that "lent a special aura to the group that lingers even when we get together now."

Little Fe Castro "Che," who at that time was the principal of the school, the beloved music teacher, Octavio Urroz, her cousin and grade school chum, Ana Isabel Perez, and Maria Cristina Lara, who accompanied her until they graduated from Saint Clare: These and many other names -- whose list would be far too long -- have never been forgotten.

The same is true of her first day in kindergarten, when a polio epidemic was announced in the country and her father took the entire family to a ranch he had rented in Santa Ana.

Nor has she ever forgotten the nuns at her school, the Sisters of Saint Francis, who came to Costa Rica with a "nearly missionary concept and who imbued us with a social consciousness of religion."

Another wellspring of memories is a 1962 school yearbook, which recorded that she was also in the band, chorus and on the basketball team.

Her sister adds that both were "Grey Ladies" in the children's ward of San Juan de Dios Hospital, before there was any children's hospital.

From Religion to Chemistry

For the future First Lady, her spiritual aspirations at that time were also unforgettable. They were so obvious that, combined with her solid academic performance, she was awarded a scholarship to go to a high school run by the convent in Milwaukee, Wisconsin.

"I think they harbored the illusion that I would become a nun, as did I, for a time," but that is as far as it went. The illusion perhaps died there, during that stay, which was "a marvelous experience because I was with my sister, who was enrolled at a university run by the same religious congregation."

She graduated from high school at the age of 15, with grades winning her the place of 15th out of 800 graduates. This was perhaps the key to another scholarship won another year later.

Back in Costa Rica and intending to study chemistry in the General Studies program of the University of Costa Rica (UCR), she came across an ad for the LASPAU (Latin American Scholarships Program for American Universities) organization in a newspaper offering a program in that country for second-year students.

"But since I was very bold," she continues with a happy smile that sparkled throughout our nearly 3-hour conversation, "I applied for it, took some exams and was finally chosen, even though I did not meet the requirement of the level of studies."

For a month or two in Vermont, she was enrolled in an English program at the School for International Living. She went on to Vassar in New York, majoring in chemistry and minoring in biology.

It was 1966 and "although the university was all women, the experience -- which lasted until 1970 -- was very interesting because it was the period of the Vietnam War and the peace marches, the protests over racial conflicts and building takeovers by Black students, when the drug problem reached its peak. In short, they were times of great upheaval."

The same war situation prevented her from fulfilling her aspirations of going on to medical school, a career that for many American students was a way of avoiding military service. Furthermore, "my grades were not all that good."

Once she had graduated from Vassar, she decided to return, take a few courses at UCR and then apply to some school.

Equation

But destiny had already marked out a different path. Love, which had knocked at her door four times, definitely obstructed her path this time. Around the beginning of 1971, a cousin introduced her to a friend of his and shortly thereafter, her phone unexpectedly rang.

They would go out to eat, to the movies or the theater, but not so much to dance: "We have never been great dancers, although when the occasion arises at some social event, we make the most of it."

She thus became engaged to the then minister of planning, Oscar Arias Sanchez, whom she accompanied to official and social occasions.

On 27 April 1973, when she was 24, they were married and her first home was an apartment in the city of Heredia.

About that time, she got the idea that her husband would look great with a mustache, but "he looked terrible. I still have pictures in which he looks like a Russian. I prefer him clean-shaven."

Before she was married, she taught biology at Lincoln School, but resigned when she became pregnant with Silvia, her eldest child.

With the news, the couple moved to a ranch in San Joaquin de Flores, where they they lived until a few years ago, when politics entered her home with greater intensity and they moved to Rohrmoser.

As far as chemistry is concerned, "if anyone asked me now what an equation was, I could not tell them." But not all is lost. She believes that the scientific discipline acquired during her university career is still useful and influences her life.

"Perhaps some day fate will have me continue in medicine. Who knows?"

Personality

It is perhaps that vision, her solid religious background and the time she spends in her preferred corner of her home, the library, that enable her to manage all her current activities.

As a mother, housewife and all that being First Lady imply, things cannot be so simple.

Her social commitments leave no time for rest and although she does not consider herself to be a good conversationalist, she is a good listener. She has a good sense of humor and she loves to listen quietly when someone else does.

"I cannot tell jokes, but I love to hear them and I have heard a bunch of the latest!"

She says her greatest quality is her "patience and ability to wait amidst the struggle. I have many flaws; life is a battle to overcome them."

She feels very bad when she gets angry, which happens rarely but obviously, in the face of injustice.

What she likes most about her husband is his good heart. His worst failing: "He can be stubborn." She loves it when he sends her gifts, as on last Valentine's Day, when "he sent me flowers and a lovely card."

In clothing, she prefers simple styles in strong colors, but in keeping with the occasion. "Pants are very comfortable, but they are not always suitable."

She likes to buy only when traveling abroad and only when necessary, but she does give in to her fondness for fruits and vegetables.

Perhaps it is because the Penon family bought many of such products in the same place for generations. She buys some things monthly. In all her daily tasks since her marriage, she has had the help of Maria Teresa Segura and, more more recently, of Tea, who handles the cooking.

"When we were in San Joaquin, we did fine by ourselves because the house was small and our life much calmer. Since I have lived here, I have not been able to catch up as much as I would like. I still need to find a picture to have framed and hung over the fireplace. We need another in the dining room, but this is a continuous process.

To decorate her home, she has always enjoyed the help of her father, who makes the furniture and handles all the woodwork. The rest is the same as anywhere else: "I put things here and there, then get tired of them and rearrange everything."

In the near future, she plans to add two offices, one for her and the other for her husband, and a room for gatherings.

What she most likes about homemaking is cooking. She has little time for it, but she tries, when her children want something special. She worries about their having a balanced diet and tries to be with the children for their three daily meals.

When asked about her favorite author, book or field of study, she is vague: "It depends on my state of mind. I love to read and I often gain a great deal of pleasure from poetry. One of the writers that has interested me most lately is Teilhard de Chardin. In literature, I like and classics and Latin American works and I have been very impressed by the wave of popularity the latter have recently enjoyed."

A similar response is obtained when one asks her about painting. "I think it is a very great mistake to limit oneself to a single work." Her home displays paintings by different artists, along with sculpture, "which I like very much."

More categorical is her opinion when she is asked to define herself as a conservative or moderate woman: "Neither one' How difficult it is to categorize oneself!"

However, it is different in the case of music: She prefers the classics.

And what about soccer? "I am a fan, but not a fanatic. Oscar is from Heredia and I have always been a Saprissta, out of family tradition."

In addition to basketball in school, she played tennis as a university student and until only a short time ago, would run a half hour a day. "I hope to start again soon."

Democratic Mother

Her hopes as a mother "are those of any mother. The greatest concern one has is to be able to pass on to one's children the best values one has inherited: morals, discipline and the desire for self-improvement that one finds in all human beings, in short, the basic spiritual values."

She thanks God that "this very difficult stage in the campaign" finds her at a time when her children have already gone beyond the age when they most need her -- until the age of 4 or 5, she thinks -- and when she was constantly with them.

She believes "the unity of my family and caring for my children to be the main duty and I do not know whether I shall have to take it back, but I do not think the duties I shall assume as First Lady can be as intense as those of a political campaign. I think I will have an opportunity to organize myself better."

It is precisely that supercharged atmosphere experienced throughout the election campaign and the pressures of the future that are one of her greatest fears as a mother "because an adult can choose. I did it, but a child finds himself in situations that are not normal for him. In our case, our children chose their participation, but it is always hard for them."

The repercussions that this may have she analyzes in two ways: "It may serve as a very valuable experience in their education, but there is definitely a risk because there are pressures that may make them grow up faster than would otherwise be necessary or suitable."

She is happy to have been able to pass on her religion to her children. "Our older daughter has already made her First Communion and our son will do so in time. They like to participate along with us in our religious activities. Oscar has a New Testament and often asks us to read it to him."

Silvia, 10, has already completed fourth grade and Oscar Felipe, who is 6, will enter kindergarten this year, both at Lincoln School.

Unlike her, who started school earlier than recommended, she prefers that her children "enjoy every phase in their lives, especially because they will need great maturity for all the situations they will have to face. I have always wanted them to enjoy the emotional stage in which they find themselves."

Politics has also interfered with her marital life, but "we usually try to find time for some activity. When Oscar comes home at night, we sometimes listen to music and talk. Moreover, during the campaign, there were thousands of opportunities to be with other people, enjoy meetings and visits to different places, which is a marvelous form of entertainment."

That work in itself was one way of achieving the goal she set before 2 February: for Oscar Arias to win the presidency. Her main objective now is to feel satisfied over the next 4 years and for her husband to keep all his campaign pledges and promises.

"Everything is possible. Oscar's proposals were made based not only on his knowledge of reality, but also on his studies and search for solutions." However, she believes that the efforts of all Costa Ricans will be necessary.

As president, "I expect a great deal" from Oscar Arias. "He has the potential to give it and we Costa Ricans want the changes which, based on the law, will lead us to a more just society, toward a true social democracy."

For her part, she will always be willing to help wherever necessary and insofar as it is in her power to do so. She has already demonstrated that determination, when she was campaign leader and president of the women's movement of the National Liberation Party.

She did not make big decisions at that time, she said. "It is the little ones that gradually change things."

This is the world of Margarita Penon, who faces the future with "great sadness that in both parties, there were fights over candidacies, but it is a great comfort to think that Oscar's program seeks what is best for the country with respect to the length and amount of money spent on the political campaign."

Vision of Today

The following are Margarita Penon's opinions on:

Religion: "It has a very important role to play, perhaps the most important of all: that of maintaining the spiritual life of every person and orienting it toward what is best."

The role that religion must not play: "That of participating in political affairs or in matters outside the realm of spiritual interests."

John Paul II: Among those on whom she was asked to pass judgment, "he seems to be the most important person because of the strength of what he says, his influential personality, his obvious intelligence and his practice of going to all peoples."

Ronald Reagan: "He is the President of the United States who, during his second term in office, has preserved the highest percentage of popularity in the history of that country. This means that he has responded to the aspirations of his country, which is admirable."

Mikhail Gorvachev: "He seems to have a more modern style of governing and to date has demonstrated interest in communication and dialogue in the East-West conflict, which is a good sign for peace."

Margaret Thatcher: "She is a strong woman and not called the 'iron woman' for nothing. Some hate her; others love her. She has shown that a woman can lead her country's government. In the past, that has been done by many queens and in the contemporary world, by Golda Meir in Israel and Indira Gandhi in India."

Fidel Castro: Without any doubt, he is a leading figure in international society today. Unfortunately, he has not contributed to the freedom that constitutes a real democracy. It is also unfortunate that he intervenes violently in other countries."

Daniel Ortega: "I have the impression of someone somewhat arrogant, who does not dialogue with the people. As he appears, always dressed as a soldier, he is removed from the concept of a ruler that we have in Costa Rica."

Relations between Costa Rica and Nicaragua: "Any Costa Rican knows that relations between Costa Rica and Nicaragua, because the different forms of government, are difficult. However, dialogue and diplomatic relations are better than another form of communication."

Work of the Contadora Group: "They represent hope for negotiation and understanding."

American help for Nicaraguan rebels: "It is very troublesome because it goes against the principle shared by our people of nonintervention, a principle I consider sacred in international relations."

Militarism in Nicaragua: "Militarism in Nicaragua is unfortunate. A country with so many needs, so many economic problems, maintains an army that endangers the balance of forces in the Central American area."

Government of Luis Alberto Monge, in the economic, political and social fields: "I believe it has been a good government, which our people recognize. Economically speaking, it achieved stability and laid the foundations for growth. Politically speaking, it maintained peace, at home and abroad. The people have gained confidence. Socially speaking, much remains to be done, as Luis Alberto admits himself, because the resources were lacking and it was of prime importance to solve economic problems, the instability and lack of confidence inherited from the previous government."

11,464
CSO: 3248/284

CUBA

TALKS WITH MEXICO ON CONTINUED FISHING IN YUCATAN WATERS

Havana GRANMA in Spanish 20 Jan 86 p 2

[Article by Fernando Davalos]

[Text] "We have had very positive relations between our two countries. Contacts between them are very close and the identification is total, which is why we have renewed the fishing agreement existing between Mexico and Cuba every year," Pedro Ojeda Paullada, the secretary (minister) of fisheries of Mexico, said on his arrival in Havana to preside over the Fourth Conference of the Continental Fishing Commission for Latin America (COPESCAL), which will be in session as of today.

In Mexican waters close to Yucatan Cuban fishermen fish for ruffle with bottom trotlines, a practice that goes back to the past century and which is now engaged in by virtue of the above-mentioned agreement. In our country hauls of this fish are basically destined for hospitals and child-care centers.

The Mexican secretary of fisheries praised the level of these "fishing relations," which have transcended other areas of cooperation to our mutual benefit, and he explained that combined with the aim of presiding over the Fourth COPESCAL Conference was his desire to engage in fraternal conversations with the heads of the Cuban Fishing Industry Ministry.

When he welcomed his Mexican counterpart, Jorge Fernandez Cuervo, the head of the ministry, also reiterated the spirit of fraternal support existing between both nations.

The Mexican delegation, which is also composed of Undersecretary Fernando Castro Castro and Ricardo Juarez Palacios, the director general of that brother country's Department of Aquiculture, was also welcomed at Havana Airport by Aldo Margolles, a vice minister of the Cuban Fishing Industry Ministry, and Prof Enrique Olivares Santana, the Mexican ambassador to Cuba.

Among others, Carlos Baez, the director of the Cuban National Aquiculture Enterprise, who heads our delegation to the Fourth COPESCAL Conference, and Antonio Carcedo, the Fishing Industry Ministry's director of foreign relations, were also at the capital air terminal.

11,466
CSO: 3248/279

NEW PRINTING COMPLEX FOR MAJOR NEWSPAPERS UNDER CONSTRUCTION

Havana GRANMA in Spanish 29 Jan 86 p 3

[Text] A major step in the completion of the new printing complex for GRANMA newspapers in Havana will be taken tomorrow when builders and installers turn over the industry's production section, making it possible to initiate the startup phase.

The conclusion of this first portion of the modern publications complex coincides with dates established by the project schedule. It is the result of the hard work of builders from all provinces of the country, along with groups of Soviet, German and Cuban technical installers and printers, who devoted their construction and technological efforts to the purpose of hailing the party's Third Congress.

With completion of the production section, it will be possible to begin the startup of the combine, following suitable testing for an industry of such complexity and modern technology. The shops will soon be able to put out the newspaper GRANMA, followed by other national dailies this year (TRABAJADORES and JUVENTUD REBELDE), as well as that of the pronvincial capital, LA TRIBUNA, in Havana.

An important role has been played in this modernization of the national press by the cooperation of the Communist Party of the Soviet Union and engineering and commercial entities in that country. The German Democratic Republic has also extended its cooperation.

In June, builders and installers from the different Ministry of Construction enterprises that worked here, especially ECOA 24 [Architectural Projects Construction Enterprise], ECOIND 3 [Industrial Construction Enterprise] from Havana City, the projects enterprise (EPROIV) from the CECE [State Committee for Economic Cooperation] and others, will turn over the section corresponding to staffs assigned to the newspapers TRABAJADORES, JUVENTUD REBELDE and LA TRIBUNA in Havana. By 2 December, the combine will be totally completed and ECOA 6 will turn over the three sections of the new printing industry, surfaced with Jaimanitas stone in homage to the 30th anniversary of the "Granma" landing.

Praiseworthy efforts have also been made by over 80 young people from the Youth Labor Army (EJT) for the past 5 months.

The new complex, located near the Plaza de la Revolucion, is five storeys high and cost some 11 million pesos for construction and installation. It is the country's first experience with the completion of a polygraphic complex specializing in the daily publication of newspapers and tabloids.

The reason for this significant investment serving the production of more and better national publications is the technological obsolescence and deterioration of the old plant inherited by the revolution, whose equipment had been used intensively for decades. The country obviously needed a modern newspaper printing complex in keeping with modern times in terms of printing, quality, speed and industrial efficiency.

During the 2 years and 4 months of construction and installation, a daily average of some 275 men and women have participated in the completion of the different phases. In addition, groups of construction workers from all the provinces and the special municipality Isle of Youth contributed their valuable efforts to the completion of the project.

The construction system used by the Havana combine was the so-called SAE (Open Frame System), involving structures with prefabricated columns and double beams and intermediate galleries covered with Iosas Spiroll. The system of sliding molds was used in some portions of the engineering project.

Along with this printing complex in the country's capital, its counterpart in the city of Holguin will now enter its testing phase, working in coordination with the one in Havana. During this initial phase, the Holguin combine will gradually assimilate the provincial daily newspaper AHORA. After July, the two combines will merged by the coaxial cable, which will make it possible to publish GRANMA and the rest of the national organs going to the eastern provinces simultaneously.

Concerning the printing technology of this type of industry, it will use off-set (indirect printing utilizing photos) with equipment from the GDR and the USSR. It is equipped to publish in two colors, black and one other.

The first newspapers published by the new Havana printing complex will come out on an experimental basis in the days ahead, in a special edition of the newspaper GRANMA, in homage to the Third Congress.

11,464
CSO: 3248/280

CUBA

ADVANCES, PROBLEMS IN 1985 IN IMPLEMENTING HOUSING REFORM

Havana GRANMA in Spanish 18 Jan 86 p 2

[Article by Joaquin Oramas]

[Text] It was reported at the national conference on housing held yesterday in the auditorium of the Higher Institute of Economic Management in the capital that, according to the number of stub books issued in 1985, 459,836 of the country's existing 507,639 onerous beneficiaries are in a position to complete their property ownership transfers.

During the event they examined aspects of the process of transfer of property ownership to onerous beneficiaries, issued 2 December certificates to those municipalities that have completed this task, reviewed the job done by the National Institute of Housing last year and reported on that agency's program of measures for the current year.

The report discussed at the conference states that the provincial and municipal housing administrations, the People's Savings Bank and other agencies have conducted an industrious program aimed at transferring ownership of housing units to their occupants. It adds that, notwithstanding the fact that they have not completed this program in all of the country's municipalities and provinces, "it may be asserted that those agents that participated in this task made a considerable effort."

One hundred thirty nine municipalities and seven provinces completed the task. The latter are: Pinar del Rio, Havana, Sancti Spiritus, Ciego de Avila, Camaguey, Las Tunas and Holguin. The two provinces that are farthest behind are Havana City and Santiago de Cuba.

It was also reported that 252,094 onerous beneficiaries have received their property deeds.

At the conference chaired by Enrique Anavitarte, the president of the National Institute of Housing, they drew up a balance sheet of the management of each of the agency's departments. In connection with this, they said that the Department of Legal Affairs and Legislation did an active job of legislation during which preference was given to basic complementary regulations and those required by the process of transfer of property ownership.

Twenty five provisions involving regulations complementary to the general housing law were passed, although some regulations of special importance are still pending passage.

These are the regulation of entailed housing and basic resources, agreement on the policy and order of priorities for the allocation of housing, the regulation of temporary cooperatives, rules for the allocation of vacant lots and the regulation of multifamily buildings.

Another point raised in the report is the drafting of instructions concerning the procedure for the eviction of illegal and cohabiting tenants in coordination with the PNR [National Revolutionary Police]. Which, the report says, will in future speed up the handling of review procedures. Measures that should be increased considerably taking into account the fact that this year they will begin to apply the policy to illegal and cohabiting tenants.

It reiterates the fact that in the process of ensuring proper execution of the transfer of ownership 252,094 of the 459,836 titles of ownership that could be transferred, representing 54.8 percent of them, were delivered last year.

They also reported that the year before all the buildings in the country were inventoried and classified and at present and in the near future a survey of all the housing units in the country will be made to determine the technical status of these assets.

Furthermore, they examined the program of measures to ensure achievement of the economic and social objectives for 1986.

This includes completing the process of transfer of housing property and of transfer of ownership to onerous beneficiaries.

Increasing the construction of housing for the population as well as regulating and controlling the appropriate policy for the delivery of materials for the construction of new and the preservation of existing housing.

Other basic measures are aimed at introducing registration of property ownership, setting up boards of directors for multifamily buildings and applying their regulation and completing the process of drafting regulations complementary to the general housing law.

11,466
CSO: 3248/279

CUBA

BRIEFS

'FIDEL AND RELIGION' IN POLAND--Warsaw, 20 Jan (PL)--The Polish Armed Forces daily newspaper ZOLNIERZ WOLNOSCI reported yesterday on the imminent publication of the book "Fidel and Religion" by the Ministry of National Defense. ZOLNIERZ WOLNOSCI notes that "Fidel and Religion" is a kind of "best seller" in Latin America and adds that while the content of the book departs from reality on that continent, in Poland the interview will also be a document of far-reaching importance. The newspaper includes excerpts from the book and notes that the work represents a sincere exchange between the highest leader of the Cuban revolution, Fidel Castro, and the Brazilian cleric, who has just visited Warsaw. Reprinting the book's introduction, the newspaper observes that neither Fidel Castro nor Frei Betto waivered from their convictions, but that "they nevertheless came to the conclusion that in the contemporary world, there is a need for Christians and communists to work together." The alliance, the Polish Armed Forces publication continues, must be founded on firm moral, political and social bases. [Text] [Havana GRANMA in Spanish 21 Jan 86 p 4] 11,464

NEW SURVIVAL GUIDE--Published by workers at the Osvaldo Sanchez Polygraphic Combine, the book "Guide to Meeting the Needs of the Population Under Difficult Conditions" opens with a saying by Marti: "...preparing people to defend themselves and live with honor is the best way to defend them." This work includes a list of instructive file cards concerning a group of medicinal plants that grow wild in our fields, yards and gardens, explaining the chief medicinal properties of these plants and their principal uses. Composed with the participation of State Central Administration agencies, the book offers the public a number of guidelines for people to better prepare themselves and it attempts to meet thir typical needs through craftsman methods and by exploiting natural resources in the event the country should find itself damaged because of natural disasters or military attacks that unleash a war involving everyone. It also introduces an elementary knowledge of agriculture for the cultivation of certain root and garden vegetables, of the manual production of salt, laundry soap and candles, hand-made clothing, the processing of fish, the manufacture of furniture, food hygiene, the disposal of solid waste (garbage), preschool educational resources and communications, among others. According to the information GRANMA was provided with yesterday, an edition of 20,000 copies of "Guide to Meeting..." has been run off, which are on sale, and another 200,000 copies will be distributed through the mass and defense zone organizations. [By Jose A. de la Osa] [Text] [Havana GRANMA in Spanish 15 Jan 86 p 3] 11466

CSO: 3248/279

BRIEFS

AIR FORCE APPOINTMENTS--President Salvador Jorge Blanco introduced yesterday important changes in the high ranks of the Dominican Air Force [FAD]. The president appointed Brigadier General Ramon Andres Peralta FAD inspector general. Coronel Marcos G. Rodriguez Melo, promoted to brigadier general, was appointed general administrator of Las Americas airport. Coronel Victor Manzano Reyes was promoted to the rank of brigadier general and appointed commander of the FAD central air command. National Army Coronel Isidro Maria Acosta Infante was appointed national superviser of national ground transportation. Brigadier General Cesar Reading Kundhar Hernandez was retired. Brigade General Francisco Alba Lopez was appointed interim general director of civil aeronautics. Captain Rafael E. Reinoso Paniagua was appointed deputy chief of the corps of military assistants to the president of the republic replacing Coronel Erasmo Acosta Batista, who was appointed FAD quartermaster general. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 4 Mar 86 p 11 FL] /9599

PENA GOMEZ SENATE CANDIDATE--The Dominican Revolutionary Party last night selected their candidates for senators, deputies, and mayors for the National District and Santiago. They plan to conclude today in Puerto Plata and Peravia. Jose Francisco Pena Gomez was the candidate selected for National District senator. Tourism Secretary Dr Rafael Subervi Bonilla was the candidate selected for mayor. In Santiago, lawyer Robinson Abreu Blondet was the candidate selected for senator. Victor Mendez y Mendez was the candidate slected for mayor. Those selected as deputies were Foreign Secretary Jose Augusto Vega Imbert and current legislators Jose Maria Diaz, Ambiorix Diaz Estrella, and Marcos Martinez. [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 12 Mar 86 pp 1, 12] /9599

CSO: 3248/300

MORRISON HITS 'INACCURACIES' IN HOYTE'S EXPRESS INTERVIEW

Port-of-Spain SUNDAY EXPRESS in English 16 Mar 86 p 15

[Article by Fr Andrew Morrison, editor of the CATHOLIC STANDARD; for the text of the referent SUNDAY EXPRESS interview with President Hoyte, see JPRS-LAM-86-023 of 5 March 1986, page 85]

[Text]

PRESIDENT Desmond Hoyte's interview with Trinidad EXPRESS Managing Director Ken Gordon, published in the Sunday Express of February 16, contains a number of grave inaccuracies which readers in Trinidad and Tobago, not acquainted with the situation in Guyana, may not be able to detect. Three examples will suffice to show what is meant. They deal with wheat flour, Fr Connors' expulsion and press freedom.

About wheat flour Mr Hoyte said: "The cessation of the importation of wheat flour came about not from us, but from the owners of the wheat mill who couldn't get their profits out because we didn't have the foreign exchange and they decided they would close the wheat mill and therefore we then had to organise ourselves to live without wheat. Many people don't seem to remember that. They believe that the government took a decision one day that we are not going to import wheat. But that was not it at all."

This is the first time that Guyanese are hearing this reason for closure of the flour mill. They had heard repeatedly the PNC leaders declare that banning of the importation of wheat was a political decision of the ruling party in line with its policy of striving for food self-sufficiency.

Mr Hoyte himself is quoted in the Guyana *Chronicle* of September 30, 1984, as saying: "We must continue to confront and oppose resolutely the few benighted persons in our midst who still yearn for wheaten flour, sardines and apples. We cannot compromise with them."

The flour mill officials who were consulted by the *Catholic Standard* knew of no such reason for their closing. They had always understood that the mill was forced to close because government stopped granting licences for the importation of wheat.

On the question of press freedom, Mr Hoyte was asked: "...Would your government, for instance, be prepared to allow an independently owned daily newspaper to operate?" He replied that the *Catholic Standard* was independently owned and so were others run by opposition groups, but "they tend to be weekly or periodic issues.

"There is nothing in our laws" he said, "to prevent Guyanese from forming a company and running a newspaper."

Mr Hoyte failed to add that control of the importation of paper, machinery and printing equipment, even as gifts, could effectively restrict the functioning of any paper, and has caused the *Mirror* daily paper to become a very reduced weekly and has adversely affected all independent local publications.

Mr Hoyte also failed to mention that the only daily paper and both radio stations are owned and controlled by the government and are used as propaganda instruments of the PNC.

The recorded interview with Mr Gordon was broadcast fully on the local radio

Asked about the expulsion of Fr Connors, the President said: "Fr Connors had been a problem for many years." He had been in the Rupununi illegally and had been deported from one of its villages, Aishalton, along with Fr John Bridges in 1980. Since then the president said, there had been incidents reported to him by the security people, which he was not prepared to disclose.

In the first place Fr Connors was not expelled from the Rupununi because of illegal residence there. The president himself admitted in the interview that the priest's position in the Rupununi had been "regularised."

Moreover, he had received no order to leave the Rupununi. He was only visiting Aishalton and was with Fr Bridges when the riot squad in full battledress arrived and surrounded the presbytery.

Allegations that the priests brought Amerindians with bows and arrows into the village and tried to get them to march on the small police outpost were refuted by Bishop Benedict Singh in a pastoral letter read in all the churches in which he declared: "I confidently deny that these priests bought people, armed with bows and arrows, into Aishalton, that the priests organised a demonstration, or that any demonstrations took place while the priests were in the village."

The villagers themselves considered the expulsion of Fr Bridges to be unjust and complained that they were at no time consulted by the authorities. Their Captain, Christopher Duncan, wrote the Regional Minister on March 6, 1980 and the letter was published in the *Catholic Standard* of April 13, 1980.

Now in 1986 this incident which occurred in 1980, together with other unspecified misdemeanours, are used to justify the expulsion of Fr Connors from the country.

Bishop Singh had said in his pastoral letter: "The forcible removal of these priests from the Rupununi is a most grievous attack on hinterland Christians' right to worship." The forcible removal of Fr Connors from this country is a grievous attack on the right to worship of all Guyanese Christians.

/12828
CSO: 3298/378

JAMAICA

COMPANIES CLOSING, RELOCATING IN TRINIDAD-TOBAGO

Kingston THE SUNDAY GLEANER in English 9 Mar 86 pp 1,2

[Text]

As a result of trade restrictions imposed by the Trinidad Government, several companies in Jamaica operating under licensing arrangements from large international concerns are planning to close down operations here and re-locate in Trinidad.

Directors of the local companies affected are tight-lipped about the situation, because they say they do not want to damage the 'sensitive' relationship which now exists between that twin-island state and Jamaica under the CARICOM arrangement.

One of the leading exporters to Trinidad told the **Gleaner** that not only were some companies planning to relocate to Trinidad, but Jamaica had lost several licensing arrangements as a result of the inability of local products to get into that market.

Exports from Jamaica to CARICOM markets, of which Trinidad is a significant part, declined from U.S.$80 million in 1983 to U.S.$30 in 1985. This was due mainly to a wide range of restrictions imposed by the Trinidad Government in 1984.

The thinking among leading Jamaican exporters of that market is that although the restrictions officially affected all CARICOM states, they appeared to be particularly directed at Jamaica.

One exporter pointed out, for example, that certain products manufactured in Jamaica were banned from Trinidad, but the same products manufactured in United States could be found on the shelves of supermarkets in Port-of-Spain.

Joint venture

In another case, a company has been offered to do a joint venture with Barbados, where the Jamaican goods would be produced here, passed through Barbados, and then sent to the Trinidad market, where they would gain access "because they were not coming from Jamaica".

Another exporter, who exports 75 per cent of his products to Trinidad, said that, luckily for him, his company was able to enter into a licensing contract with a large international company just months before the problems arose with the Trinidad market.

One of the more vocal members of the sector, Mr. Peter Clair, managing director of Orion, which does contract manufacturing for a wide variety of cosmetics, and for Fleetwood brushes, told the **Gleaner** that Trinadad once consumed 70 per cent of his brushes, and 40 per cent of cosmetics.

However, from 1984 "there has been no business in Trinidad — no licences. We lost a terrific amount of business," he said. As a result, the principals in Britain have decided to set up a manufacturing plant in Trinidad.

Gillette, another of the many companies which has suffered a similar fate in Trinidad, is now looking seriously into the possibility of doing contract filling in Trinidad.

According to a spokesman at Gillette, Trinidad represented about 55 per cent of that company's total business. However, as a result of restrictions against the razors, blades, pens and toiletries made by the company, only "a small percentage" was able to reach Trinidad over the last year.

An exporter, explaining the background to the problem, told the **Gleaner** that several of the manufacturing plants were set up in Jamaica because the island's entire manufacturing machinery was more efficient than that of Trinidad's. It was also assumed that, through CARICCOM, products manufactured in Jamaica had unrestricted access to the Trinidadian market.

Hence, with the high purchasing power of the Trinidad petro-dollar, several locally-based companies practically built up their life-line on that buoyant economy. As much as 70 per cent, and 75 per cent in some cases, of total demand came from the Trinidad market.

No longer bouyant

One leading trader/exporter said that at the height of the Trinidad consumerism "just about anything could be sold in Trinidad". As a result, several Jamaican exporters made windfall profits of up to 100 per cent in that market.

When, therefore, the restrictions were imposed by that government, the Jamaican companies did not face a market diversified enough to cushion the limitation.

The same trader/exporter was critical of those companies which were now leaving for Trinidad.

"The fact of the mattter is that the buoyant Trinidad market of 1983 no longer exists," he said. Businesses were closing down. Supermarkets and other outlets were reporting daily rapid fall-off in sales to his company. Prices were falling as well, and consumers were now extremely cagey about their spending patterns.

"When the companies shift base to Trinidad, I give them less that one year to run again... It's a pointless exercise, and does not solve the problem," said another manufacturer.

But despite the many problems, hopes are still high in the exporting industry for a revival of CARICOM. The recent bilateral trade meeting between the two countries and the undertaking by Trinidad to ease the restrictions, as well as the recent visit of Mr. Seaga to Trinidad, have re-kindle hopes of better days.

Now, the spirit is one of cautious optimism. Several exporters told the **Gleaner**: Trinidad is now demonstrating a welcomed willingness to open up trade again. But this, the Jamaican exporters insist, has to be balanced against the reality of a shrinking purchasing power of the Trinidad consumer.

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CSO: 3298/379

CARL STONE SLAMS GOVERNMENT HEALTH, EDUCATION POLICIES

Kingston THE DAILY GLEANER in English 10 Mar 86 p 8

[Article by Carl Stone: "Provoking Confrontation"]

[Text] The industrial action being taken by Junior Doctors represents yet another battlefield of confrontation provoked by the heavyhanded manner of Mr. Seaga's government.

The impasse with the teachers had hardly cooled before the government's sudden and ill-advised increases in tertiary level fees opened up yet another battlefield in education. As the CAST-UWI student issue dragged on without resolution, the government did it again by twisting the arm of the IDT and presurring that body into becoming a useless rubber stamp of government's wage policies in the Junior Doctor's issue.

It is not accidental that these conflicts are centred around health and education. This government has refused to recognise that education and health must be insulated from the knife of budget cuts. As a consequence, the country's future is being severely jeopardised by short-sighted monetarist policies which are starving health and education of necessary financial support under the guise of practising prudent financial management.

The health services are falling apart. The education system is collapsing. The training of health and educational workers is being cut back. The professionals are being asked to accept salary levels that allow them to barely survive. In the face of all of this belt tightening and hardship the government behaves with a heavy-handed arrogance more befitting a dictatorship than a government elected by voters.

Limitation

None but the most naive can believe the IDT story that it had made a mistake in the first award and was not correcting it. The plain fact is that the IDT was "draped up" by Minister Anderson as if they were little boys and told to revise their award to the Junior Doctors in keeping with government's wage policies.

The suggestion by the IDT that the LRIDA ties its hand in making it mandatory that it must accept government's wage policies in the national interest in dealing with wage awards seeks to remove any degree of discretion by the IDT in making such wage awards.

Under such a self-imposed limitation that reduces the IDT to the status of an impotent rubber stamp of government wage policies, the trade unions have every right to boycott the IDT until new and more realistic guidelines are accepted as the framework for the IDT's functioning.

In any event, the IDT members who were so spineless as to accept that view of their role ought to be removed from that body as no one can any longer have any confidence in the integrity of the judgments they exercise.

Non-bargaining

Had the Tribunal done the right thing and defied the Minister, they would have had the full backing of public opinion, workers, trade union, the private sector and professionals. By capitulating, they have joined the growing list of the cowardly who are being pushed around and intimidated by the most arrogant political administration this country has yet experienced.

Democratic government requires a willingness by those entrusted with power to negotiate differences with interests over whom they preside and a flexibility to give some ground on some issues to maintain and win confidence, trust and good will.

The JLP's style has been one made conspicuous by its non-bargaining approach to conflict issues. All this achieves has been unending confrontation on issues where a different approach, would yield negotiated settlements.

What is worse is that when the confrontation occurs, and action is taken by those who have been provoked by the government's arrogance, government spokesmen run to the media with abusive, threatening and vulgar propaganda.

Reality twisted

Dr. Gilmour twists reality by trying to tell primary school students that UWI and CAST fees are being hiked to their benefit. Mr. Anderson threatens the doctors and falsely accuses them of intimidating the courts when all they are doing is seeking to protect their rights. Teachers have been falsely accused of merely fighting politics under the guise of seeking more pay. Cheap attempts are made to turn public opinion against professionals whose hard work contributes so much to the progress of the country. These professionals are treated by feisty and haughty politicians as if they count for nothing.

Sharp disagreements over policies are unavoidable. The real issue is how a government handles them. Treating professionals and workers with respect is not a sign of being soft. Turning every conflict issue into a battlefield of confrontation might titillate the egos of little men handling big power. Our Prime Minister, for example, fancies himself to be some sort of male Caribbean version of Mrs. Thatcher, the leading example of arrogance and authoritarian leadership in a democracy.

The late Tom Adams of Barbados also operated in this style and consumed so much of his undoubted talents in fighting petty issues and making enemies unnecessarily. But this kind of "macho" approach to dealing with conflict issues erodes goodwill and destroys chances of settling minor issues that fester and grow into major issues.

Spineless men

If the government of the day agrees 100% with all awards made by the Tribunal, the IDT cannot be considered to be functioning independently. An IDT that is not functioning independently of government cannot inspire any trust, confidence or faith in the integrity of what it does.

This arrogant government and some spineless men in the IDT have totally discredited the Tribunal mechanism while trying to make scapegoats of the Junior Doctors.

Whether it is Dr. Gilmour's silly comments about the CAST-UWI issue, Mr. Seaga's shouting at the teachers from his JLP platform, or Mr. Anderson's distorted reconstruction of the IDT's spinlessness, we come away from all these issues with an image of JLP politicians who believe that with enough demagoguery, arrogance and propaganda they can bully their way over all and sundry.

It's time we remind these politicians that they were elected to serve us and not to push us around.

Public trust

Democracy demands leaders who behave as if they are accountable to the people. By so doing they earn public trust and confidence even when they have to make unpopular decisions. The JLP government has an entirely different view as to how it should deal with us. Threats, bullyism, demagoguery, abuse and intimidatory propaganda are the only currency they deal in.

Should it surprise anyone that most of us turn off the radios and televisions when they try to talk to us?

When this government is removed from power it is going to leave behind a legacy of distrust of government and a trail of destroyed and enfeebled institutions that will take some doing to straighten out. The longer we wait for that day, the greater will be the institutional mess left behind. The IDT has now been clearly dumped on top of that load of administrative mess that a new government will have to clean up.

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CSO: 3298/379

'85 ANTIDRUG STATISTICS HIGHLIGHT RESULTS OF CRACKDOWN

Kingston THE DAILY GLEANER in English 6 Mar 86 p 1

[Text] Police in their intensified drive against the billion dollar drug trade last year destroyed three times the amount of ganja they did in 1984.

Now ganja growers and traders and dealers in harder drugs are hurting, police and drugs sources told the Gleaner.

Official police sources said drug eradication in Jamaica from January to December 1985 could be considered successful in the fight against drug eradication (ganja) and suppression.

In 1985, the Narcotics Task Force (of the police and military) eradicated 4,384 acres of ganja and seized or destroyed 228,150 pounds of cured ganja.

This, according to official police sources, was an increase of 3,293 acres or 301.85 per cent over 1984. During the same period, seizure of cured ganja decreased by just over 50 per cent.

Official police sources said the decrease in the seizure of cured ganja was also attributed to the successful eradication programme resulting in less ganja being available for bulk loading, storage and trafficking.

In regard to the hard drug, cocaine, police said that during 1985, 59 positive cases of cocaine were detected with a total weight of about 814 pounds. Of this amount, one case involved 810 pounds.

In comparison, in 1984 there were 35 positive cases amounting to 809 pounds. Of this amount, one case involved 806 pounds.

Deputy Police Commissioner S. A. McKay, in charge of crime, asked to comment, told the Gleaner yesterday: "It is evident from the eradiction efforts (against ganja), we have been suppressing quite effectively the amount of ganja for local and international use."

"In respect to hard drugs, within our limited resources we are doing fairly well in respect of seizures and interceptions. And we expect to carry on these initiatives in 1986."

GLEANER: The United States has been always pressing for more police action from this end, you mentioned limited resources, have they with their higher technology been helping?

MR. McKAY: The internationals co-operate fairly well in the efforts to suppress drug trafficking.

Pressed, in regard to "co-operating fairly well," Mr. McKay would not elaborate. But, the Gleaner understands the security forces need more resources.

They are using powered cutters, supplied by the U.S. Government, in the ganja fields in Westmoreland, St. Elizabeth, Portland, St. Mary and St. Ann, the main ganja parishes.

But helicopters, for instance which could help in intelligence gathering and other needed equipment are not in place.

It is understood that at least one member of the Police Force obtained a pilot's licence following on a Government announcement that planes would be part of the equipment of the Force.

At present, the Constabulary has to ask for assistance from the Jamaica Defence Force when aerial surveillance is needed for police work.

It is an open secret that ganja and hard drug barons deal with big money, and spend freely in villages where they pitch, and they also have the latest technological equipment, which the security forces are hard pressed to match.

In regard to hard drugs (mainly cocaine), official police sources had this to say: "Notwithstanding the limited cases of detection, intelligence suggests that there is growing usage of hard drugs in various areas of the island.

"Jamaica is still considered a trans-shipment port for hard drugs intended for the North American market and it is confirmed that portions of major shipments are siphoned off for local usage or as payment to the traffickers."

Police drug investigations for 1985 also found in regard to maritime and air conveyances: "For the period January to December 1985, seven boats and four aircraft were seized, in addition there were 17 crash-landings. This was in comparison to 10 aircraft and four boats in 1984 with 17 crash-landings."

In regard to arrests, official police sources said: "With the substantial increase in eradication there was a predictable decrease."

Interception and interdictions in 1985 showed: arrest with respect to ganja decreased by 13.25 per cent or 861 cases. There were 2,993 arrests for possession or a decrease of 14.5 per cent over 1984. There were 340 arrests for smoking ganja, a decrease of 21.3 per cent.

There were 51 cases of cultivating ganja or a decrease of 8.9 per cent. Cases of trafficking, preparing for export and attempting to export 359 cases or a decrease of 7.7 per cent.

Persons in the ganja-know told the Gleaner the police crackdown, which intensified in 1985, had cut in heavily on their livelihood.

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CSO: 3298/379

CHAMBERS DISCUSSES ECONOMIC PHILOSOPHY IN STUMP SPEECH

Port-of-Spain SUNDAY EXPRESS in English 16 Mar 86 p 3

[Text] PRIME MINISTER George Chambers has called for self-reliance and self-development to help solve the country's problems. Chambers, as political leader of the People's National Movement, was addressing party supporters at the Marabella Comprehensive School on Friday evening as he continued his Meet-The-Party tour.

"We have had good times but they could never have lasted for all time; now it is a hard time," Chambers said responding to comments from party groups. "But funds are not always the solution." He noted that when people approached Ministries they were often told there are no funds. But he said there are many ways in which people can be mobilized to get things done themselves, with assistance from state enterprises or private firms if necessary.

"I leave you with this challenge," he declared.

The Prime Minister observed also that unemployment was a world-wide problem, not one limited to Trinidad and Tobago. Here again, he suggested, self-help and self-employment might provide a solution. He said also that a Cabinet committee was present discussing a fund for unemployed youth and would report shortly. "What is really needed," Chambers stressed, "is a massive influx of investment, though this will take some time." He noted that this was the reason he had gone to the Far East.

The Prime Minister went on to say, "Too many people have come to depend exclusively on handouts from DEWD." He added that he was committed to the idea of DEWD, "but not just for a few beneficiaries, legal or illegal."

Responding to a suggestion from the floor that public utilities might manufacture equipment they needed here, Chambers observed that one of the conditions attached to the borrowing of money from international financial institutions was that money lent be spent on goods produced by donor countries. "The only country I know of that has lent money without such conditions is Trinidad and Tobago," Chambers declared. "And I don't blame them — if we ever lend again that is the way I am going."

Chambers added: "It is not easy in the world of international finance: you have to go there armed to the teeth."

Touching on the matter of squatters, the Prime Minister said a bill was to be introduced in the House of Representatives next Friday in order to regularise the position of those who having been squatting before the December, 1977, amnesty.

He called for greater unity and motivation in the Pointe-a-Pierre constituency, and urged party members to be unafraid and self-confident.

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UNION OFFICIAL GEORGE WEEKES NAMED TO SENATE

Port-of-Spain EXPRESS in English 15 Mar 86 p 1

[Text] Oilfields Workers Trade Union (OWTU) leader George Weekes is expected to take up a seat in the Senate on Tuesday, replacing the late Senator Nuevo Diaz who died earlier this year.

A report said Opposition Leader Basdeo Panday had advised President Ellis Clarke to appoint Weekes in the Senate, representing the National Alliance for Reconstruction (NAR). It was learnt that Panday had already advised President Clarke by letter.

During Diaz's illness, Alloy Lequay acted for him. But since Diaz's death, the party agreed that labour's voice should continue to be represented.

It was learnt that Panday, acting on the advice of the NAR, approached Weekes to accept the nomination.

Weekes reportedly declined but after Panday insisted the offer was put to the OWTU General Council for discussion.

At a meeting of the OWTU General Council earlier this month, Weekes was given the all-clear to accept the nomination.

Nine years ago during the 1976-81 parliamentary term Weekes was appointed a senator to represent what was then the United Labour Front. But in 1977, during an ideological split in the ULF, Weekes joined with the Raffique Shah section of the ULF, and his appointment was subsequently revoked by Panday who then enjoyed the support of a majority of ULF parliamentarians.

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MP JOHN HUMPHREY NAMED 'PARTY ORGANIZER' OF NAR

Port-of-Spain EXPRESS in English 15 Mar 86 p 3

[Text]

ST AUGUSTINE parliamentary representative, John Humphrey, was appointed party organiser of the National Alliance for Reconstruction at an executive meeting on Thursday evening.

"I think my role will be mainly inspirational since I am not really an organisational man," Humphrey said yesterday. "Karl Hudson-Phillips is really campaign organiser, but because of my image I can help with unifying the party base."

He will work not only with Hudson-Phillips, but with elections officer Anthony Smart and general secretary Beau Tewarie as well.

"We are anticipating an early election," Humphrey told the EXPRESS, "and we need to put these crucial posts in place."

The NAR feels Prime Minister George Chambers may announce the date of the election at the People's National Movement's special convention on March 30, and that the election could come as soon as the end of April.

At the executive meeting on Thursday, criteria for selection of the NAR's election candidates were agreed to and a final document is being prepared.

Humphrey intimated that the NAR will "do its best to put out a balanced team of candidates taking into consideration ethnic groups, expertise in government, credibility, and popularity."

The nomination process awaits only the distribution of nomination papers, and should begin within the next week or two.

The party manifesto has also been discussed but is not yet ready.

"Work is going ahead apace," the new party organiser declared, "and you have my assurance that when the bell rings we will come out with fists flaring."

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CSO: 3298/380

DRUGS REPORT SAID TO IDENTIFY DEALERS IN 'HIGH POSITIONS'

Port-of-Spain SUNDAY GUARDIAN in English 16 Mar 86 p 1

[Text]

THE evidence in the Scott Drug Report is very specific and clearly indentifies numerous drug dealers, pushers and associates, some of whom hold very high positions in the country.'

The SUNDAY GUARDIAN was informed yesterday that the evidence includes details of names and addresses, times and places of the operations of these people, and the information was strong enough to stand up in any court. The source said prosecutions could take place soon.

Flight Of Money

According to sources, the report also expressed concern at the flight of money from Trinidad and Tobago through the illegal drug trade.

The report, which has been described as "dynamite", follows months of private hearings by a three-man Commission headed by former Court of Appeal judge Garvin Scott, who is now Chairman of the Public Service Appeal Board; Professor Michael Beaubrun, psychiatrist and Jim Rodriguez, Permanent Secretary, Ministry of National Security.

Sources yesterday stated that while the Commission was engaged in taking evidence, their lives had been threatened. Also threatened were some of the people who came forward to give evidence, and the report commended those who risked their own safety to give evidence before the Commission.

Many of those giving evidence were reportedly drug addicts and some pushers working for the "big boys", who had got what they considered to be their share.

When the report was complete, the three commissioners flew by National Security helicopter to Tobago to hand it over in person to President Clarke, who was at the time in the sister island.

The report was not laid in Parliament, but in an unusual move by Government has been handed to a special counsel, Desmond Allum, president of the Bar Association, who has been given the assignment of studying it and initiating any action he deems necessary.

Notes Of Evidence

Sources said yesterday that based on the kind of evidence in the report, it was almost certain some people would be prosecuted, such action to be taken through the office of the Director of Public Prosecutions. Apart from the report, Allum has also been given the verbatim notes of evidence taken during the hearings.

The report indicated that Trinidad and Tobago became the target of the drug trade because of the petroleum boom, which made a lot of money available locally. Among the countries involved in the trade are Peru, Bolivia, Colombia, Venezuela and the USA.

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CSO: 3298/380

DEFENSE MINISTER DISCUSSES MILITARY ROLE, BUDGET

PY131312 Montevideo EL DIA in Spanish 5 Mar 86 p 5

[Text] Defense Minister Juan Vicente Chiarino and Defense Under Secretary Jose Maria Robaina Anso yesterday held a press conference at the Libertad building. During the press conference, Chiarino said that he is "very impressed with the reinstatement of the Armed Forces into the community, to which they belong, and with the increased interest they are taking in support of all social and development projects." He added that "the military leadership has demonstrated that there is an atmosphere of understanding" with regard to the national situation, although one cannot state that this is taking place at all levels within the Armed Forces." Speaking to journalists assigned to cover government activities, the defense minister assessed the activities conducted by his ministry during his first year in office.

Chiarino said that it "has not been an easy task because we took over a ministry where there obviously were very noticeable repercussions from the previous era. We felt that it was wise, reasonable, and fair to firmly follow the principles of the authority bestowed upon the Defense Ministry, and those of the assessment of how to reinstate the Armed Forces into the community."

The defense minister also discussed developments concerning the defense budget, which "was barraged by the opposition because it wanted to reduce it by such a percentage that it meant making it completely inadequate."

Concerning a reduction in Armed Forces personnel, Chiarino stated that "vacancies are being strictly kept unfilled" and that in 1987 the number of troops will be similar to that prevailing in 1943 (without giving figures)."

Chiarino admitted that the republic has an "absurd" number of colonels, making it clear that this situation dates back to 1940. He asserted that the number of military attaches (60) the country has abroad will be reduced to 50.

The defense minister stated that in March 1985 there were 86 military attaches.

Chiarino also emphasized that several alternatives will continue being reviewed concerning the organizational structure of the Armed Forces. He said that these alternatives are aimed at changing "or modifying the primitive concepts that prevailed a few decades ago" about the role played by the military.

Robaina Anso

Referring to his personal contribution to the military budget talks Defense Under Secretary Robaina Anso said that "the budget issue was important in the transformation process of the Armed Forces and even of the state." He added that the military budget "not only includes the task forces but also includes all the investments the country has made in Antarctica."

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CSO: 3348/466

URUGUAY

BRIEFS

MINISTER THREATEND FOR FIRING DOCTOR--Montevideo, 16 Mar (AFP)--A government source has told AFP that Uruguayan Public Health Minister Raul Ugarte received several telephoned death threats yesterday in his home. According to the source, the minister yesterday reported to the Interior Ministry that the threats had to do with the firing on 14 March of a military doctor. The health minister fired Dr Eduardo Saiz Pedrini for falsifying the cause of death of a doctor who was arrested in 1983 at a military unit and died as a result of mistreatment. Saiz certified in the first autopsy performed on the body of Dr Vladimir Roslik that death was caused by a heart attack but a second examination showed that death resulted from torture. Saiz had served with Uruguayan troops who participated in the multilateral peace force in the Sinai. [Text] [Paris AFP in Spanish 1537 GMT 16 Mar 86] /9599

NAVY COMMANDER ACQUITTED--Montevideo, 6 Mar (AFP)--Uruguayan President Julio Maria Sanguinetti has upheld a decision by a military tribunal acquitting Navy Commander Jose Imizcoz of charges of human rights violations during the military regime. Imizcoz, who has been the Navy commander since February, is the second Navy officer to be promoted to the rank of admiral since the inauguration of the constitutional government a year ago. Imizcoz himself requested early in 1985 that a military tribunal hear charges brought against him through a local newspaper by a former sailor who deserted. [Text] [Paris AFP in Spanish 0055 GMT 7 Mar 86] /9599

UNEMPLOYMENT FIGURES--According to official data released on 5 March, the number of unemployed workers dropped by more than 18 percent between January 1985 and January 1986, and the unemployment rate fell to 10.88 percent in the November 1985 to January 1986 quarter, compared to 13.22 percent for the same period in 1984-85. [Summary] [Montevideo Radio Carve in Spanish 0000 GMT 6 Mar 86 PY] /9599

POLITICAL PARTIES REACH AGREEMENT--After weeks of discussion, the four political parties have reached an agreement in Congress on approximately 40 initiatives contained in 14 chapters. The agreement will be revised within the next few days, and on 31 March the participating delegates will give their final agreement. It will then be submitted to the executive boards of their respective political parties. Among the initiatives, there is a project that defines the ownership of land, including a tax on absenteeism, thus proposing a solution to the purchase of land by foreigners. Regarding security, the agreement that has been reached is only programmatic, and there was absolutely no concensus on rules and regulations for the union sector. It must be pointed out that regarding the topics on which no agreement was reached, it was agreed that the political parties will be free to act as they like at the congressional level. The Broad Front has submitted a 10-point document that will be studied by the other political parties, according to Senator Hugo Batalla. [Excerpt] [Montevideo Radio Carve in Spanish 0000 GMT 21 Mar 86] /9599

U.S. CONGRESS' VOTE ENDORSEMENT--Montevideo, 21 Mar (AFP)--Uruguayan political circles today received with satisfaction the decision adopted on 21 March by the U.S. Congress to reject the request to give $100 million in aid to the Nicaraguan contras. Javier Barrios Anza, the president of the International Affairs Committee of the Chamber of Deputies, said that it was the logical answer and he also considers that the resolution of the U.S. Congressmen is the right one. Barrios Anza, a member of the opposition National or Blanco Party (centrist), believes that President (Ronald) Reagan's position has been wisely blocked by Congress, which has fortified the Contadora Group's position. Roberto Asiain, a deputy for the governing party, has stated that he does not believe that 21 March was a dark day for freedom, as President Reagan has said. Asiain, who is candidate to become the interim president of the International Affairs Committee, also stressed that after Congress' vote the will of the U.S. people has been reaffirmed. The U.S. people now seem to understand that Latin American efforts for peace must be respected. [Text] [Paris AFP in Spanish 2237 GMT 21 Mar 86] /9599

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END

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Latin America Report

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HAVANA COMMENTATOR VIEWS PERU'S GARCIA VISIT TO ARGENTINA

PA260345 Havana International Service in Spanish 2300 GMT 20 Mar 86

["Our America" commentary--read by Manolo Ortega]

[Text] The presidents of Peru, Alan Garcia, and of Argentina, Raul Alfonsin, have signed a joint document in Buenos Aires whereby they voice their stands concerning the problem of the Latin American countries' foreign debt, which, according to them, constitutes the most important political and economic problem of the area nations.

On the occasion of Alan Garcia's visit to Buenos Aires, the two presidents analyzed the full scope of the regional debt--the major difficulty in these times of world economic crisis, particularly for the underdeveloped countries, with varied technological achievements. In spite of the great natural resources of Argentina, its debt amounts to over $55 billion, a very heavy burden that jeopardizes the Alfonsin's work. It casts doubts on his internal economic reactivation before the workers, and places the once-flourishing nation in an uncomfortable situation when it has to hold discussions with international creditors.

Peru, with a debt of approximately $14 billion, is enduring a serious economic and social crisis in the midst of the poverty that has extended to very vast areas, as is the case with the many residents of the poor section belts of Lima, the capital of the Andean country.

It is clear for Alfonsin and Garcia that negative sequels derive from the current adjustment processes of the debt, because the cost of such measures weighs almost exclusively on undeveloped countries despite the conciliatory and hollow rhetoric of meetings such as those of the IMF, the World Bank, and other similar agencies largely dependent on the U.S.' wises. The joint document signed by Argentina and Peru in Buenos Aires stresses some truths of broad application, and which are sidestepped only by the imperialist circles and their allies.

Alfonsin and Garcia stressed with certainty the importance of political dialogue regarding the problem of the debt, and decided to foster a growing coordination among the nations weighed down by this widespread evil. If the industrialized capitalist countries continue to turn a deaf ear to the demands of the Third World's weak economies, it is mandatory that these countries have common viewpoints and speak to the voracious international creditors with a single voice.

Garcia's assertion that the debt cannot be paid under the current terms and that its origin is debatable, matches similar stances presented in various meetings on the topic held in Havana in the past few months, which were attended by important political, economic, scientific, and intellectual personalities from various world areas. To continue to be subjected to the IMF's wrath, and to apply--on its recommendation--austerity formulas with devastating effects on the majority of the population does not constitute a working solution. Quite the contrary. This indicates that unstoppable social outbreaks are nearer than ever.

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CSO: 3348/472

CHILEAN AIR FORCE COMMANDER'S STATEMENTS IN ARGENTINA

PY242218 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1614 GMT 24 Mar 86

[Text] Buenos Aires, 24 Mar (NA)--Fernando Matthei, commander in chief of the Chilean Air Force, affirmed today that his country is following "a clearly-defined democratic process" which the Armed Forces "have sworn" to complete in 1989.

Matthei admitted that some sectors want this process to move along faster, while others want it to go more slowly, and then pointed out that the Armed Forces "would be wrong to sway in one direction or the other."

The commander of the Chilean Air Force made these statements at the metropolitan airport upon his arrival in Buenos Aires for an official visit at the invitation of the Argentine Air Force.

Considered to be one of the more flexible of the four members of the Chilean Military Junta, Matthei justified the 1973 military coup against the popular government of Salvador Allende, explaining that at the time there was "a power challenge between communism and the Armed Forces." He then added that "had the Armed Forces not responded to the challenge, Chile could not be speaking about democracy today."

Matthei said that Chile is following "a clearly-defined democratic process, which the Armed Forces have sworn to complete in 1989."

According to the Constitution that was approved in a polemic plebiscite in 1980, the mandate of President Augusto Pinochet will run until 1989 when he will have an option to run for a new presidential period if his candidacy is approved in a popular consultation.

Referring to his visit to Argentina, the commander of the Chilean Air Force said that "we can initiate a new period of relation between our Armed Forces, which we hope will also include the relations between our two nations," adding that "for many years we have looked to the North or in other directions, forgetting that we are so close and that we can complement each other in many aspects--and this happens in the military area and with the respective Air Forces."

Matthei then said that "there was a time when our relations were better, closer and more cordial, and now it is again time to intensify them, with resolution and with the heart open to brotherhood."

Matthei was received at the military sector of the metropolitan airport by Brigadier Teodoro Waldner, Armed Forces joint staff chief; Brigadier Ernesto Horacio Crespo, Air Force Joint Staff Chief Vice Admiral Ramon Arosa.

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PERONISTS SAY RADICALS 'MEDIOCRE BY DOCTRINE'

PY242017 Buenos Aires BUENOS AIRES HERALD in English 24 Mar 86 p 1

[Text] (NA-DYN)--The weekend National Congress of the Peronist Renewal Wing yesterday gave birth to a fully-fledged party structure, duly electing as joint leaders an absent La Rioja Governor Carlos Menem and deputies Antonio Cafiero and Carlos Grosso. They also released a statement harshly criticizing the Radicals as "mediocre by doctrine" and describing democracy and liberation as complementary goals.

Further congresses for trade unions, parliamentarians, businessmen, youth, women and professionals are slated for the next couple of months after direct party membership voting has been established while the national congress itself is to reconvene within 90 days. Youth will now make up the fourth branch of the movement. Trade unionists present, dominated by the Committee of 25 labour grouping but also including printers' leader Raimundo Ongaro, also endorsed tomorrow's strike.

Grosso told the 2,000 delegates that the new triumvirate would be advised by a Federal Council representing all 24 electoral districts. A human rights secretariat will also form part of the new party organization. The congress further set a 1 May deadline for normalizing the four intervened provinces of Buenos Aires, Cordoba, Jujuy and Rio Negro after Cafiero called for a collective intervention board on Saturday.

The statement harped constantly on national unity and popular participation, saying Peronism must return to its "revolutionary" nature. The national crisis and the Peronist crisis were the same, it said. The reform Peronists were looking beyond "mere candidacies," the statement insisted, also hitting out at the government for scaremongering and defeatism. The government had to choose between making statistics or making history, the statement concluded.

Menem apparently faces an operation today, thus explaining his absence yesterday. On Saturday he made a bullish speech forecasting electoral victories next year and in 1989 in contrast to a more self-critical speech by Grosso.

Menem also basted the constitutional provision requiring the President to be Roman Catholic. Cafiero preferred to stress the reform Peronists' loyalty to the 25 as the most representative Peronist labour grouping as against the claims of the 62 Organizations, who were also criticized by Grosso.

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CSO: 3300/73

LOPEZ REGA'S HEALTH CAUSES SPECULATION

PY192000 Buenos Aires BUENOS AIRES HERALD in English 19 Mar 86 p 9

[Text] (NA-DYN)--Suspected Triple A leader Jose Lopez Rega expressed yesterday his willingness to be tried in Argentina and his conviction that "the people love me even though they lack the initiative to express their feelings," according to an interview in yesterday's issue of CRONICA. He was also quoted as saying that "the accusations against me were originated by the military and I have been unjustly linked to them." The former welfare minister denied owning "hidden fortunes" in Switzerland, the United States or any other place. In reference to his return, Lopez Rega is said to have stated: "I could be used as a political instrument, but I don't care. My concern now is for my country, and I want to die there. I pray every day for Argentina."

Meanwhile lawyer Juan Carlos Ortiz, a former Justicialist party congressman, admitted yesterday that he is willing to defend Lopez Rega in the Argentine courts. According to reliable sources Ortiz will soon travel to Washington in the immediate future to receive instructions from United States Federal Prosecutor Karen Moore and to meet Luis Fors, Lopez Rega's attorney in charge of everything related to his extradition.

Ortiz, who defended former President Juan Peron's estate and its administrators in previous trials, explained that he was well informed about the charges against Lopez Rega, but pointed out that the existence of the Triple A (Argentine Anticommunist Alliance) "was never proven."

Lopez Rega's self-proclaimed "spiritual partner," Maria Cisneros, stated that the Argentine Government had offered the ex-minister a temporary passport for 60 days that allowed him only to travel to Argentina but it was rejected because he wanted to travel to Switzerland or some other place, according to an interview published yesterday by GENTE magazine. She added that "our country now has a democratic government. Imagine what would have happened (if Lopez Rega's arrest) had taken place during the military government. You know as well as I do about the children that disappeared in that period." The health of the mentor of both Perons has led to a wide variety of speculation since this could play a crucial role in the approval of his extradition. A physician appointed by Judge Charlene Sorrentino treated Lopez Rega yesterday in the Miami Metropolitan Correctional Center but his diagnosis has not been disclosed.

Fors maintains that the health of Lopez Rega is very poor "due to his advanced diabetes and high blood pressure." The Cuban attorney has requested that the prisoner be transferred to the exclusive Coral Gate Clinic and that the Argentine Government pick up the bill, which could run up to as much as 80,000 dollars by extradition time.

On the other hand, Lieutenant Angel Montalvo, a spokesman for the jail that holds Lopez Rega, denied that his health was as bad as Fors made it seem. "Lopez Rega's health is good, he is a diabetic but not delicate. In every other aspect his body works normally for a man his age." But CRONICA used prominent headlines yesterday to proclaim the alleged fact that Lopez Rega suffers from Acquired Immune Deficiency Syndrome (AIDS), attributing this information to an undisclosed source.

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CSO: 3300/73

AMBASSADOR CORRECTS MOROCCAN PRESS REPORTS

PY202317 Buenos Aires TELAM in Spanish 1514 GMT 19 Mar 86

[Text] Rabat, 19 Mar (TELAM-EFE)--The Moroccan newspaper LE MATIN today published a correction, by Argentine Ambassador Norman Zamboni, of the Moroccan press version of the statements Argentine Vice President Victor Martinez made during his recent visit to Rabat.

On 8 March, Rabat newspapers reported that Martinez had said that Argentina would never recognize the Saharan Arab Democratic Republic (SDAR), and that the Argentine Government would not work for a dialogue between Morocco and Algeria for the solution of the Saharan problem.

According to the Moroccan press, the Argentine vice president also said that his country is facing territorial problems, particularly with neighboring Chile, and that of the Malvinas Islands.

Ambassador Zamboni's correction stated that, according to a recording in Spanish, Dr Martinez only mentioned the SDAR once, saying literally: We have not recognized the SDAR, and we have not adopted any attitude toward Morocco that might displease it. Zamboni's letter added that Martinez said that Argentina will participate in all efforts aimed at establishing a dialogue between Morocco and Algeria, believing that this would result in the fairest solution.

The Republic of Argentina has the moral authority to recommend a dialogue, because this was how Argentina solved its territorial problems, with Chile, and it is trying to establish a dialogue with Great Britain at all levels to solve the Malvinas Islands problem, the ambassador said.

Zamboni ended the letter he sent to the MOROCCAN PRESS AGENCY, MAP, by stating that the published version of what Vice President Victor Martinez said was different from what he really said.

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CSO: 3348/472

BRIEFS

MAJOR PRAISING ANTISUBVERSION ARRESTED--Buenos Aires, 17 Mar (NA)--A high-ranking military source this afternoon confirmed that Major Julio Canteros is serving a 30-day arrest at the Campo de Mayo Engineering School for making statements "praising the performance of the Armed Forces during the struggle against subversion." The source added that Maj Canteros has been under arrest since early February. Earlier this year, Maj Canteros was sentenced to 20 days detention for remarks he made while haranguing the troops on the occasion of the dismantling of the Second Armored Scouts Squadron that used to be headquartered in Concordia, Entre Rios. [Text] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 17 Mar 86 PY] /9274

SOVIET FAMILY EMIGRATES--Buenos Aires, 24 Mar (DYN)--A Soviet family, who in mid-1984 visited the Argentine Embassy in Moscow to ask for support to be able to emigrate from the Soviet Union, is now in Argentina. A communique released by the Argentine Foreign Ministry states that Yuriy Smirnov, his wife Galina Smirnova, and their three children, who are minors, have arrived in Argentina. The communique states that in mid-1984 the Smirnov family visited the Argentine Embassy in the Soviet capital city "to request assistance from the Argentine authorities in order to emigrate from the Soviet Union." The communique concludes by stating that the Argentine Foreign Ministry conducted the appropriate negotiations before the Soviet Government which approved the emigration of the family. The communique does not mention when the Smirnov family arrived in Argentina. Among diplomatic circles, it was being felt that the decision by the Soviet authorities to permit the Smirnov family to leave the Soviet Union was a kind gesture by the Soviet Government toward the Argentine republic. [Text] [Buenos Aires DYN in Spanish 0012 GMT 25 Mar 86 PY] /9274

CSO: 3348/472

NEW SARNEY MANDATE SAID TO HEAD CONSTITUENT ASSEMBLY AGENDA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 86 p 4

[Article by Carlos Chagas]

[Text] A 4-year term for President Sarney but with the right of reelection? A term of 5, or else 6 years as provided by the constitution? What had appeared a remote issue or even an impossibility is beginning to emerge as a solution for the Democratic Alliance, and it is already being discussed quite openly in Congress, the PMDB, the PFL and in the presidential palace itself as one of the first questions to be debated by the Constituent National Assembly 1 year from now.

Because, suddenly, it is perceived that the economic package did not implode on inflation alone; it has simultaneously imploded on the succession. All the succession ideas devised until last Friday have been thrown out of phase, revised and rectified. The Democratic Alliance no longer has natural candidates. Ulysses Guimaraes, Marco Maciel and Aureliano Chaves, to cite only three big names, appear to be submerged in the current that, barring error, will lead the country to economic stability.

Ironically, Sarney becomes the extended or emergency solution: he who entered the government through the back door as a waif. If it is not to turn over the gold to the engineer, also hit by the package but far from being knocked out, the Democratic Alliance does not see another figure today that is better than the president of the republic. For that reason, what was most talked about in Congress yesterday was the possibility of the Constituent National Assembly in 1987 setting the presidential term for 4 years while establishing the principle of reelection for another term, to go into effect immediately. Also presented as an alternative was retention of the constitutional 6 years or, at least, its reduction to 5 years.

The president does not even agree to talk about the question despite the attempts and provocations. Just this Tuesday, during breakfast, he repeated to this reporter what is already becoming a permanent videotape: he will honor the decision of the Constituent National Assembly, which is sovereign, but he clings to the guideline laid down by Tancredo Neves: presidential terms would be for 4 years. Once his mission has been fulfilled, he will leave public life without seeking to return or to run as a candidate, let alone occupying a position of political leadership.

There will not be the slightest maneuver or organizational effort on his part; on the other hand, it is also his immediate aides who are beginning to consult with many leaders of the PMDB and the PFL. On the basis of the day's quotations and projections for the future, there is not a better candidate in the event that reelection is included in the new constitution. It would not be a matter of perpetuation or casuistry because the electorate would have the last word, freely; and in the face of an electorate capable of opting for other candidates such as Leonel Brizola or Janio Quadros, there would not be a more receptive name.

In the PMDB, Ulysses Guimaraes remains a candidate. His group believes that it can once again cause him to be identified with the nation, as in the days when he headed the opposition, resisted the dictatorship and expressed the democratic spirit better than anyone else. The problem is the erosion suffered by the Sao Paulo congressman in the course of the New Republic. Even if he is reelected to the presidency of the party on 6 April, he will face sizable internal resistance to remain in the succession fight until the end. This is due less to the age factor that to his having dissociated himself from many segments; more for having been defeated in the confrontation with Jose Sarney at the time of the cabinet reshuffle than because of the fact that the party banners have been expropriated by the government. There would be great danger that, if chosen as a candidate, he might not be able to avert the flight of many candidates.

There could be time for the preparation of other candidacies from among PMDB personalities in the event that the term of the current president were extended to 5 or 6 years but, even so, it is unlikely that one of them would displace Sarney's image. Iris Rezende, Jose Richa, Helio Garcia, Paulo Brossard, Almir Pazzianotto are more remote possibilities unless the picutre changes. Fernando Henrique Cardoso would be a solution if he had won the elections in Sao Paulo, or better still, if he had not been a candidate.

In the PFL, strengthened in government terms as a result of the cabinet reshuffle, one notes a perceptible swing of the pendulum internally; terrain formerly occupied by Aureliano Chaves is slowly being lost to Marco Maciel. But the problem may be in the lack of identity between the party and public opinion, especially if modest blocs numerically subordinate to the PMDB emerge from next November's elections.

Neither the PMDB forces nor the liberals will undertake any adventures, especially if the popularity of the government takes root and even grows, because it would be too ironical to see a strengthened system crumble and lose power because of a lack of candidates capable of expressing it. Thus, the common denominator that is beginning to appear is that of the president himself. At least to permit the time necessary for new possibilities to emerge. Outside of that, it bears repeating, the New Republic risks turning over the gold to the engineer; or, supreme catastrophe, seeing a repetition of the 1960 comedy because, in the matter of "hanging up the gloves," there is no way of believing in Janio Quadros.

The issue may seem premature, unreal, and merely speculative; but for a demonstration that it is not so, suffice it to frequent the corridors of congress, the party headquarters, and even some chambers in the presidential palace.

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CSO: 3342/80

LYRA-INSPIRED PROGRESSIVE FRONT GAINS MOMENTUM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Feb 86 p 6

[Article by Silvia Caetano]

[Text] Brasilia--Limited thus far to isolated talks held by the PMDB politicians with PDT leaders, the so-called Progressive Front has gained new impetus from the outcome of the cabinet reform decided upon by President Jose Sarney. Conceived by former Minister Fernando Lyra, in anticipation of the government's course following the change of the first echelon, the initiative has been meeting a better reception among the PMDB members unhappy about the conduct of the New Republic. A large segment of the Leftwing of the Sao Paulo PMDB is ready to change to the PDT, while other members of the party are exerting efforts to ensure the viability of the front, viewing it as the only alternative to guarantee the election of a Constituent Assembly capable of responding to the reformist yearnings of the nation.

The PDT leader in the chamber, Nadir Rossetti, admitted that for the time being the PDT has had only sketchy talks with the PMDB people because, in his opinion, implementation of the new alliance runs up against the natural difficulties inherent in the formation of a front with politicians belonging to various parties. Not because there is a requirement for the members of the movement to belong to the same party, but because of the differences of the parties. In some states, as in Rio Grande do Sul, for example, the PDT plans to join in a coalition with the PDS to vie for the state governorship, which has generated internal discontent, including that of Rossetti himself, who does not agree to mount the platform and campaign also for former PDS leader, Deputy Nelson Marchezan, who should come out as a candidate for the Senate on a slate headed by Leonel Brizola's party. This type of problem is causing talks to drag, but both Rossetti and former Minister Fernando Lyra believe in the success of the initiative.

In Sao Paulo, two federal deputies could leave the PMDB--Beth Mendes and Marcio Santilli--in addition to six state deputies: Marco Aurelio Ribeiro, Fernando Moraes, Sergio Santos, Ruth Escobar, Waldir Trigo, and Walter Lazarini. In the meantime, it is still not know what Labor Minister Almir Passianotto will do. On the basis of a candid statement of his, the expectation in the PDT is that he will leave the PMDB to run for the governorship of Sao Paulo under the PDT party label. The labor minister told a Brizola party leader: "I prefer to win a million and a half votes in the PDT than be elected federal deputy for the PMDB," but he has not confirmed that intention so far. Pazzianotto has until 14 May to divest himself of his office. If he does not do so, it is because that statement was only for effect.

The same difficulties detected by the PDT leader are recognized by former Minister Fernando Lyra, citing as an example the case of Parana, where the PDT was the adversary of the PMDB in the last elections, opening up wounds that have not yet healed. Lyra defends the Progressive Front as an attempt to unit the politicians who hold similar views and positions around a political action, not only with a view to the Constituent Assembly but beginning as of this year's electoral campaign. According to the former minister, the strategy of the Progressive Front is to establish a common agenda for all the members of the movement, to be defended in the campaign and in the future Assembly in order to prevent the drafting of a conservative constitution not in accord with national demands and needs.

The Pernambucan politican is optimistic about the movement and predicts that it is "going to grow." It is his analysis that the Progressive Front is of interest to all candidates for deputy who want to declare themselves publicly and do not want to follow the eventually conservative discourse of the candidates for state governors. "It also serves to take care of the sectors of society that want to participate in the process but without party commitment. It is the alternative that remains for those people to be able to defend their positions through an explicit channel without commitment to parties," stressed the former minister of justice.

According to Fernando Lyra, the Progressive Front will end up with a dichotomy of those who are members of the PMDB and refuse to support a conservative government but do not plan to change parties. In Lyra's opinion, in those cases, a change of party would only serve to weaken the politician vis-a-vis his political base, which does not serve the strategy of the Progressive Front. He gave assurance that he himself does not plan to leave the PMDB, where he considers himself sidelined by the other factions, although a possible candidacy for the governorship of Pernambuco under the PDT is not completely out of the question. "My plan is not to be governor but to be reelected deputy with the backing of my solid election base; but I would not fail to face the risk if the situation so advised," added Fernando Lyra.

Both Fernando Lyra and leader Nadir Rossetti believe that the idea is appealing to a large group of congressmen in the PMDB, many of whom, in practice, have the same objective, such as Deputies Manoel Costa, Cristina, Tavares, Hermes Zannetti, Flavio Bierrenback, Helio Duque, Alencar Furtado or Francisco Pinto. To prevent the election of a Constituent Assembly representative of the interests of the elite is the concern of all of them, who would thus act within the spirit of the Progressive Front during the campaign and in the Assembly itself, however, without leaving the party. If they should eventually do so, that would only occur after the 15 November elections when the PMDB should have demonstrated that it is not viable for progressive politicians.
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POLITICAL CONSEQUENCES OF NEW ECONOMIC PACKAGE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 86 p 3

[Text] Brasilia--President Jose Sarney accepts the image: he proceeded like Hernan Cortes in deciding on shock treatment against inflation, eliminating the road back to the gradualist policy. The Spanish conquistador landed in the Yucatan Peninsula in 1519 determined to conquer the Aztec Empire, and for that reason he burned his own caravels that had carried him to the New World. It became clear to his soldiers that victory was the only option because defeat would mean the end.

For the chief executive, from now on it will be: achieve success or there will be nothing more in terms of the New Republic. He is optimistic despite being tense and on the alert. He must strive for the implementation of the anti-inflationist plan and keep abreast of every step of its unfolding. Yesterday morning in Alvorada Palace, he agreed to discourse about the future. With the resumption of economic growth during the past year, the adoption of the social option, and now the adoption of the anti-inflation package, as the process advances and becomes consolidated, there will be no time to lose. The government will take care of the irrigation plan, especially for the Northeast; it will restore the national road and rail networks, as well as river and ocean navigation, in addition to the ports. It will devote itself to improving national transportation, with emphasis on results in terms of supply. At the same time, it will continue to take care of administrative reform. In Sarney's opinion, those goals will be augmented as a result of the new economic policy, assuming that, without generating a recession, we succeed in finding mechanisms capable of reducing inflation to practically zero. On the contrary, with the abolition of the monetary correction and such instruments as the "over" and "open" rendered unviable, it becomes obvious that financial speculation is out of the question. With a strong currency, whoever wants profit will have to invest. And within the limit of its powers, the government will stimulate investments in the aforementioned sectors. From now on nobody will profit from inflation; but profit remains the mainspring of the current system, opening the way to the activity of private enterprise in productive investments.

He recognizes that the freezing of prices hit the bull's-eye; it made an impression on all of the public and served to mobilize society. The success of the initiative was due to the credibility of the government, the popularity of the New Republic. There is no way of failing to be inflexible in face of the need for nothing--really nothing--to be raised. The roster of control agents within the government is gradually being expanded, involving SUNAB, the Federal Police, the Regional Labor Offices, the states, and municipalities through an agreement already signed by the Ministry of Justice with the governors. But the big, permanent controller is the population--the housewife, the common citizen in his day by day routine.

The president related how he arrived at the decision to change the economic policy. It was not a sudden move. In May of last year, less than a month after Tancredo Neves' death, he convened experts to study alternatives to the gradualist policy. One team went to Israel and another to Argentina, when President Raul Alfonsin opted for the shock treatment. The possibilities in case of impasses was studied. When, despite everything, inflation reached undesirable levels in December and January, with the forecast of a similar situation in February, he reached a decision. It was on Monday, 17 February that he directed a small group of aides to incorporate the ideas outlined and studied. From that night on, he held lengthy talks with Ministers Dilson Funaro, Joao Sayad, Ivan de Souza Mendes, Bayma Denys and a small group of advisers such as Persio Arida, Francisco Lopes, Lara Resende, Beluzzo e Calabi, among others. The cabinet reshuffle was being completed and attention was centered on the subject so that it was possible for the new economic policy to be discussed secretly and detached from speculation. Everything was discussed point by point. The climate was extremely favorable because of the balance of the prescription--the nonissuance of government paper in January and February and price control, done without much bluster. On Monday, the 24th, when the new cabinet was convened in the morning, he did not announce the decision but he began convening other ministers to the evening sessions: Paulo Brossard, inasmuch as the question involved various legal aspects, and Almir Pazzianotto, responsible for the social plan.

Almost miraculously, the government gained another 3 days because it was only on Thursday that the rumors began to circulate and the report leaked. Since Friday had been chosen as D-Day, it was even a good thing, with public opinion and the various social segments being prepared by the press report.

What are the political consequences stemming from the new situation? The president of the republic, cautious, does not speculate much. But he does not accept the reasoning that only now does the government appear to be in condition to elect strong blocs in November. He does not doubt that that will occur, based on the popularity ratings compared over recent months, but he recognizes that the chances have grown even more as a result of the anti-inflationary package. He will not be active in the election campaigns on behalf of anyone. In no way does he agree to mount platforms and hold rallies supporting this or that candidate. That position erodes the presidents of the republic. He may, at the most, be sympathetic to some candidates for state governorships or Congress, but this is a matter of personal feeling which will not influence his position as president. He believes that the candidates of the Democratic Alliance will emerge victorious in the majority of the states. The gubernatorial elections will pull the elections for deputy and senator.

His projections for the proceedings of the Constituent National Assembly are similarly cautious. It will be sovereign; it will give the country a new institutional model and its decisions will be the decisions of Brazil. But he does not believe in the prevalence of radical positions. The reformist spirit will be present, identified with the accomplishments of the New Republic.

Finally, President Jose Sarney does not evade questions about the succession. His candidate will be the candidate of the Democratic Alliance but, at the same time, he will not lead campaigns or go touring the country seeking votes. He will maintain himself as the chief executive, stressing that he considers his political life ended at the end of his term. He aspires only to read and write books, devoting himself to literature. He does not want to establish leaderships following his administrative period, much less found political parties or engage in maneuvers to return, of the "JS-95". For that reason, he can devote himself with perseverance to the goals and projects of the present without commitments of any kind. There must be many candidates in the Democratic Alliance.

When questioned, Sarney replied that he has no doubt that Janio Quadros will end up becoming a candidate--first for the governorship of Sao Paulo, then for the presidency. Around him will be many figures of the recent past, such as Golbery do Couto e Silva, Delfim Netto, Paulo Maluf. It is their right, as it is that of Governor Leonel Brizola as well. But he believes that ideological radicalization is being warded off as his government reduces social tensions and promotes the possible and necessary reforms.

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IBC TO EXPORT 14 MILLION BAGS OF COFFEE IN 1986

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Feb 86 p 40

[Text] Rio--Brazil will export only 14 million bags of coffee this year, a monthly average of 1.2 million bags. The announcement was made yesterday by the president of the Brazilian Coffee Institute (IBC), Paulo Graciano, after meeting with representatives of growers, exporters and roasters at the IBC administrative board.

In recent years, Brazilian coffee exports have been around 18 million bags, which means that the traditional importers of Brazilian coffee will have to look to other markets to supply them with 4 million tons. Even with lower exports, the IBC expects to obtain record revenues of $4 billion this year, Graciano said.

To limit exports this year, a necessary measure due to the reduction of the harvest caused by the prolonged drought in 1985, the IBC president plans to discipline exporters, employing the marketing mechanisms available to it. One of those mechanisms is suspension of shipping registrations when they reach a certain amount considered necessary by the IBC. The possibility of the IBC resorting again to export quotas by company was discounted by the export director of the Agency, Renato Celidonio.

The president of the IBC revealed also that this year's coffee harvest will probably amount to 14 million bags, although the initial estimate of the IBC itself had been 16.7 million bags. According to him, this new figure is derived from the consensus of exporter and producer companies. The IBC's production director, Joaquim Libanio Ferreira Leite, however, considered a new harvest forecast to be extremely difficult because of very irregular beans. Small samples gathered in areas of Parana affected by the drought indicate that six bags of raw coffee will be needed to obtain one bag of processed coffee, whereas in normal harvests, that proportion was 3 to 1.

At the board meeting, the IBC president was sympathetic to the demand of the growers' representatives for a substantial increase of the guarantee price to adjust them to the market price. Mauricio Lima Verde Guimaraes, a member of the coffee committee of the Sao Paulo Federation of Agriculture, reported that the IBC president was receptive to the demand that the guarantee price, today around 1 million cruzeiros, be raised to around 3 million, which represents 70 percent of the market price, which today ranges between 3.5 and 4 million cruzeiros per bag. The growers also demand that the conditions for concession of financing for coffee-growing be revised so that the interest on both costs and marketing be 3 percent per annum, in addition to full monetary correction.

Lima Verde said he estimates this year's Brazilian harvest to be 11 million bags, not 14 million as the IBC president predicted. To justify his estimate, the FAESP representative in the IBC administrative board said that the harvest of Conillon-type coffee produced in Espirito Santo will suffer a reduction of 20 to 25 percent due to a drought that has now lasted 65 days.

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CSO: 3342/80

BRIEFS

JANUARY UNEMPLOYMENT DECLINE--The average rate of open unemployment in January was significantly lower than that for the same month in previous years. Although, as in all years, January showed a seasonal rise compared to December, the rate of 4.2 percent represents a drop in the rate level. The figures recorded by the Monthly Employment Survey (MES) were revealed yesterday by the IBGE Foundation in Rio. Average January Unemployment Rate, in percentage: 1983, 6.3; 1984, 7.5; 1985, 6.3; 1986, 4.2. Of the six metropolitan areas that comprise the rate, the lowest unemployment rate occurred in Rio de Janeiro (3.9 percent) representing a reduction of 39.1 percent compared to January of last year. The highest rates continued to prevail in Recife (5.3 percent) and Salvador (5.0 percent). According to branch of activity, civil construction was the sector that presented the highest average unemployment rate in January (5.4 percent). However, compared to the same month last year, it was the sector that showed the greatest reduction of that rate (44.9 percent). Compared to January 1985, there was a substantial reduction of the proportion of occupied persons who did not receive remuneration or who received an income of less than one minimum wage, in relation to the economically active population in all metropolitcan areas surveyed, especially in Sao Paulo (28.5 percent). The same occurred in comparison to December, with Sao Paulo once again standing out with a decrease of 22.4 percent. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 86 p 30] 8711/6662

CSO: 3342/80

BRIEFS

WHEAT CROP FIGURES--Chilean Agriculture Minister Jorge Prado stated at the Osorno Agriculture and Industrial Fair that 80 percent of this year's wheat crop will be enough to supply Chile's domestic needs. The minister also announced that last year the agricultural sector grew by 10 percent and emphasized that all figures related to agricultural production are highly promising. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 10 Mar 86 PY] /9599

AMBASSADOR TO VENEZUELA--The Chilean Government has appointed Nicolas Grohnert Novoa as the new Chilean ambassador to Venezuela, replacing deceased former Ambassador Carlos Alberto de Costa-Nora Sepulveda. [Summary] [Santiago Domestic Service in Spanish 2300 GMT 11 Mar 86 PY] /9599

AMBASSADOR PRESENTS CREDENTIALS--Javier Illanes, Chilean ambassador to the OAS, has presented his credentials to the OAS Permanent Council's president. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 13 Mar 86 PY] /9599

AIR FORCE AGREEMENT SIGNED--The Chilean Air Force has signed an agreement with ENAER [National Aeronautics Enterprise] to modernize its Mirage aircraft. The agreement was signed at the International Air Fair in Santiago by the Chilean Air Force represented by Logistic Commander Pablo Saldias and ENAER President General Caupolican Boisset. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 14 Mar 86 PY] /9599

AIRWAY EXTENDS ROUTE--Uruguayan Transport and Public Works Minister Jorge Sanguinetti, accompanied by the economy under secretary and the Uruguayan commerce director, arrived in Santiago on the inaugural flight of PLUNA [Uruguayan National Airlines] that will start regular flights between Santiago and Montevideo, twice a week, as of next Monday 17 March. Likewise, LAN-CHILE will start periodic flights to Uruguay. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 14 Mar 86 PY] /9599

CSO: 3348/470

STUDY VIEWS EXTENT OF ILLEGAL GOODS, DRUG TRADE BY MAFIA

Bogota EL ESPECTADOR in Spanish 16 Feb 86 pp 1-A, 13-A

[Passages enclosed in slantlines printed in boldface]

[Text] The great Italian mafias, which are being put on trial at this time, have been dwarfed by the /audacious/ Colombian drug traffickers. The latter have been considered the "largest mafia in the world" since the 1970s.

EL ESPECTADOR has gained access to a study written by the Institute for Latin American Studies of the University of St. Gallen, in Switzerland. The study deals with Colombia's illegal foreign trade, not just of cocaine and marijuana, but also of contraband such as coffee, livestock, emeralds, cement, cosmetics, alcohol, toys, automobiles, and the like.

In early 1970, according to this study, 70 to 90 percent of all drugs passed through Colombia; most of the processing in the world took place in our country. As a result of the /war/ on drug trafficking declared by President Betancur, however, most of the refining is now done in Bolivia and Brazil.

The Colombian /godfathers/ and their /families,/ as they are known in the world of drug trafficking, not only handle exports from South America, but also oversee distribution in the United States.

The study states in its introduction that in Colombia the illegal trafficking of goods, capital, and drugs has reached such proportions that it has significantly distorted the balance of payments.

It concludes that between 1980 and 1984 the volume of illegal foreign trade from Colombia was between US $6 billion and $9 billion, but that only a small part of these /earnings/ (10 to 20 percent) returned to the country.

Smuggling Boom

The study indicates that the smuggling of coffee, sugar, livestock, cement, emeralds, cigarettes, liquor, domestic appliances, cars, and spare parts has been a tradition in our country, because either domestic prices are lower or imports are limited.

With the widespread consumption of marijuana and cocaine in the United States, however, Colombian smuggling has surged tremendously. The study reports that between 1969 and 1970 it grew by more than 100 percent.

Drug seizures by U.S. customs officials went from a total of 3 kilos in 1961 to 370 kilos in 1971 and 570 kilos in 1976. The black market for marijuana, until that time unknown in Colombia, was stimulated.

Mexico, which exported 90 percent of its marijuana to the U.S. market, was surpassed by the /audacity/ of the Colombian mafiosi, who ended up controlling 70 percent of the market. Then they made way for Jamaica and Belize, seeking instead the higher profits to be made from cocaine trafficking.

With regard to profits, the University of St. Gallen report asserts that they are extremely high. Factors that affect profits are the exchange rate with the dollar, the cost of transporting the alkaloid, wages, and bribes to customs agents.

The study claims that the operation launched in La Guajira, Colombia in 1978, when 10,000 soldiers burned the marijuana crop, contributed to the explosion in the price of that drug.

Nevertheless, it concludes that "despite the strict controls and the many precautions that are taken, crops cannot be exterminated as long as the following factors are present:

--The market for those products and the great demand by consumers
--The likelihood of great profits
--The increase in the number of addicts created by this trade, which ensures that demand will not slack off even as the price rises."

For example, between 1975 and 1980, the price of a kilo of cocaine soared from $300,000 to $500,000 on the black market.

The research conducted by the Swiss university reveals that the tremendous profitability of these transactions enables drug traffickers to pay huge sums of money to the farmers who grow the crop, but compared to their own income, these amounts are ridiculously low.

Cocaine Production

With regard to the production of coca leaves, the report notes that it expands by 25 percent every year. Bolivia, Peru, Ecuador, Colombia and Paraguay obtained nearly 135,000 tons of coca leaves in 1984, it states.

Of that amount, 10,000 tons is chewed, being used for what can be called the "daily consumption of the growers." The rest (125,000 tons) is processed in three stages, which guarantees a yield of 66 percent.

It states that the product coming out of Colombia, Peru and Bolivia is extremely varied. As a result of the discovery of the largest processing laboratory, Tranquilandia, in the Llanos of Colombia, and of the confiscations of ether in Panama, production has increased considerably, the report says.

Table 1 contains this information, and shows how important Colombia is in the production of the alkaloid. In the early 1970s, 70 to 90 percent of all cocaine passed through our country, and most of the processing was done here, too.

Due to the /war/ on drug trafficking declared by President Betancur after the death of Justice Minister Rodrigo Lara Bonilla, however, the refining process was moved to Brazil and Bolivia.

It is estimated that in about 10 years, from 1970 to 1980, Colombia processed 75 percent of all the cocaine that was consumed in the world.

But during that same period, the Colombian dons extended their sphere of influence as well. They now make up the largest mafia in the world.

The /families,/ as they are known, are located in Miami, Chicago, New York and Los Angeles. They handle not only exports from the South American countries that process drugs, but also all distribution throughout the United States.

How Much Does the Colombian Mafia Earn?

Researchers at the University of St. Gallen calculated the Colombian dons' income based on the movement of cocaine and the dons' share of that activity.

They used only the FOB prices for this calculation, that is, the sales price at U.S. ports. This represents only 25 percent of the total price, with production costs and transportation damages subtracted (see Table 2).

After analyzing the figures for cocaine, the Institute evaluated everything related to marijuana. It also looked at the decline in Colombia's importance as Jamaica and Belize entered the market.

It is estimated that between 1980 and 1984 the consumption of marijuana in the United States rose from 22.5 percent to 37 percent, from 1,000 to 1,500 kilograms.

In verifying the presence of the Colombian mafiosi in the distribution of the grass, the University of St. Gallen study points out that "unlike cocaine, no specific indication of Colombia's participation was found in the distribution of marijuana in the United States."

The study also presents estimates of the prices that are paid, and concludes that the earnings on marijuana smuggling are lower than those obtained from illicit cocaine sales.

The study notes that of the profits, it is assumed that only 7.5 to 10 percent goes to the growers. An unknown quantity is earmarked for /quieting/ and bribing the authorities, and for transportation and other unforeseen expenses.

The bribes amount to about 20 percent of the total sales price of marijuana, leaving a net profit of 70 percent for the distributers.

Major Coffee Smuggling

Due to the difficulty in obtaining information, the report provides only a cursory examination of the importance of smuggling coffee, livestock, sugar, cement, emerald, and other products.

It does state, however, that large quantities of coffee and livestock are smuggled. With specific reference to Colombia's principal export product, coffee, it reported that in 1976 more than 1 million sacks, or 60,000 tons, was sold illegally.

Smuggling of the other products depends on the exchange rate of the peso, domestic prices, and foreign demand.

Of all the profits earned by Colombians on smuggling, whether drugs or traditional goods, only a small portion returns to the country. It is used exclusively to pay the farmers and to meet transportation and production costs, as seen in Table 2.

Another portion of income earned from exports of cocaine, marijuana and other products (nearly 50 percent) goes to Bolivia, Peru, and Brazil to pay for the raw material and the processing. This includes ether, potassium chlorate, and acetone.

One aspect highlighted by the study is the illegal importation of the items used by the mafiosi in processing and transporting narcotics.

Illegal imports of cocaine paste alone were estimated at $2 million, but no figures are available on the purchase of foreign equipment, chemicals, cosmetics, alcohol, glass items and automobiles.

Dollar Laundering, Skyscrapers

The researchers at the University of St. Gallen concluded that the important thing is to find out what proportion of the money earned on drug trafficking and illegal foreign trade in general actually enters the country.

"It is believed that the capital possessed by Colombians amounts to more than is currently known, and it is also assumed that the capital that is exported (or flees) amounts to much more than is reported to the government."

The study goes on to say that very few dollars are believed to have entered Colombia, because most of the money remains in the United States, on large estates and land holdings in Florida.

Another major portion of these funds goes into bank accounts in the Bahamas through a /dollar laundering/ process. In addition, the drug traffickers own half of the skyscrapers on the Pacific coast of Panama City.

The study also reveals that the Colombian mafiosi even offered to repatriate $5 billion if Colombian President Belisario Betancur would declare an amnesty for them. This offer came when our country was facing a serious foreign exchange shortage and a high public finance deficit.

Flight of Capital

To determine how much of the foreign currency generated by cocaine, marijuana and contraband actually entered the country, the Institute of the Swiss university analyzed the exchange rate, the movement of international reserves, the stock market, and the development of smuggling itself.

It discovered that the great capital flight from Colombia began in 1975 with the Tax Credit Certificates (CAT), despite the presence of what it calls "negative factors."

"It is surprising," it notes, "that despite the devaluation of the Colombian peso, in the second half of 1970 the black market rate was below the official price of the dollar. This is a rare occurrence, given that devaluation leads to a drastic shift with regard to monetary exchange."

It asserts that since 1982 the flow of capital has increased considerably, and is still high. Even though Colombia and the United States have close ties, however, the smugglers and drug traffickers are making hefty profits.

Citing several published studies from Colombia and U.S. newspaper accounts, the report contends that in 1977 nearly $3 billion entered the country, of which some $850 million circulated freely.

"Between January and October 1980, $407.9 million entered the country through the /illicit teller's window/ (at the Bank of the Republic). During the same period of 1981, more than $500 million was exchanged."

The study goes on to explain that not all the capital came in through the /illicit teller's window,/ which was notorious during the heaviest period of drug trafficking. But since the black market for foreign currency was not stimulated, the circulation of dollars was greater.

"From mid-1970 through 1982 nearly $500 million was reportedly exchanged, and $1.5 million has supposedly been exchanged since then. In 1982, however, a decline began in the exchange of pesos, and we believe that only 10 or 20 percent of the earnings from illegal transactions are repatriated," the study states.

Table 1.

Transactions, Exports and Earnings on the Cocaine Trade in Colombia

(1) Años	(2) Producción Colombiana en Toneladas	(3) Deduciendo lo Confiscado por 10% (90% por columna (1) en Toneladas)	(4) Supuesto Precio al por Mayor en US$	(5) Transacciones Descuento del 20% Automático Costo por Ganancias	(6) Exportación real de Productos Colombianos	(7) Transacciones que realiza la Mafia de la Cocaína Colombiana
	(1)	(2)	(3)	(4)	(5)	(6)
1970	15	14	10'000	140	35	112
1971	22	20	15'000	300	75	240
1972	30	27	20'000	540	135	432
1973	38	34	25'000	850	213	680
1974	47	42	30'000	1'260	315	1'008
1975	53	48	40'000	1'920	480	1'536
1976	60	54	50'000	2'700	675	2'160
1977	68	61	60'000	3'660	915	2'928
1978	79	71	70'000	4'970	1'243	3'976
1979	90	81	75'000	6'075	1'519	4'860
1980	135	122	80'000	9'760	2'440	7'808
1981	153	138	80'000	11'040	2'760	8'832
1982	191	172	80'000	13'760	3'440	11'008
1983	206	185	80'000	14'800	3'700	11'840
1984	225	203	80'000	16'240	4'060	12'992

Key:

1. Years
2. Colombian Production in Tons
3. Deducting 10% for Confiscations (90% of Column 1 in Tons)
4. Assumed Wholesale Price in US$
5. Transactions - 20% Automatic Deduction from Profits for Costs
6. Real Exports of Colombian Products
7. Transactions Carried Out by Colombian Cocaine Mafia

This table shows the country's cocaine production, subtracting what is assumed to be confiscated by the authorities, the price for which the alkaloid is supposedly sold, the deductions for costs of chemicals and vehicles to transport the drug, Colombian exports, and the transactions carried out by the Colombian mafia.

Table 2.

Earnings from Illegal Exports by Colombians (in US$ x 1,000,000)

Años (2)	(1) GANANCIAS POR CONTRABANDO				Exportaciones oficiales (6)	Ganancias en el exterior (7)
	(3) Cocaína	(4) Marihuana	(5) Otros Productos	Total		
	(1)	(2)	(3)	(4)	(5)	(6)
1970	35	n.a.	59	94*	727	95
1971	75	n.a.	70	145*	689	203
1972	135	n.a.	68	203*	969	365
1973	213	n.a.	112	325*	1'177	573
1974	315	279	152	746	1'417	851
1975	480	756	218	1'454	1'465	1'296
1976	675	1'350	396	2'421	1'745	1'823
1977	915	1'954	346	3'215	2'443	2'471
1978	1'232	3'001	n.a.	4'244*	3'003	3'354
1979	1'519	3'686	590	5'795	3'300	4'100
1980	2'440	3'952	n.a.	6'392*	3'945	6'588
1981	2'760	4'212	n.a.	6'972*	2'956	7'452
1982	3'440	4'466	n.a.	7'906*	3'095	9'288
1983	3'700	4'712	n.a.	8'412*	3'073	9'990
1984	4'060	4'888	n.a.	8'948*	3'340	10'962

[Key on following page]

Key:
1. Earnings from Smuggling
2. Years
3. Cocaine
4. Marijuana
5. Other Products
6. Official Exports
7. Earnings Abroad

The total profits earned by Colombians on drug trafficking and on smuggling in general, and the income from exports, are revealed in this table.

8926
CSO: 5300/2189

BRIEFS

EXCESSIVE ENERGY USERS SANCTIONED--During the inspection of users of over 500 kilowats, five sugar complexes in Camaguey Province have been sanctioned because of excessive use of energy and six other organizations are under alert. The penalized organizations are the Argentina, Dominican Republic, Siboney, Sierra de Cubitas, and Carlos Manuel de Cespedes agroindustrial complexes which used 600 kilowats over the planned amount. A workshop at Nuevitas Gonzalo Esteban Jugo mill, the Brazil, Ignasio Agramonte, and Jesus Suarez Ganol cane complexes, pre-fabricated products center number 7, and the Tinima brewery were alerted and will be cut off if they do not adopt urgent measures. The Tinima brewery is in a serious situation because its managing organism did not draw up a consumption plan. [Text] [Havana Radio Reloj Network in Spanish 1813 GMT 26 Mar 86 FL] /9274

HIGH MANUAL CANECUTTING LOSSES--Many of those who follow the sugarcane harvest and its developments do not understand the high levels of losses some complexes are showing in their manual cutting activities. There are some enterprises which leave three times as much cane in the fields as machine cutters in other mills. While the machine cutters have three percent losses at Ciego de Avila's Patria o Muerte mill, Matanzas' Seis de Agosto and Granma mills' canecutters exceed six percent in losses. When the harvest began and the machine cutters were used in the adverse conditions hurricane "Kate" left in the cane fields a number of measures were emphasized. Back when Julian Rizo, alternate Politburo and Secretariat member, warned about the need for quality in the manual cane cutting activities and for its improvement over that of machine cane cutters. Several months have gone by and that warning becomes especially important when we see the results of some cane complexes and we realize that the manual canecutting process has excessive losses in tem of them. Because of its economic implications and the importance it will always have, March should become a month that totally transforms the negative situation several sugarmills are showing in this area. [Text] [Havana Television Service in Spanish 0000 GMT 28 Mar 86 FL] /9274

TIN FROM VENEZUELA--Venezuela has sold 1,800 tons of tin to Cuba in the first operation of that type between the two countries. Venezuela had previously acquired 40,000 tons of scrap iron in Cuba. [Text] [Havana International Service in Spanish 1800 GMT 17 Mar 86 PA] /9274

CSO: 3248/319

VENCEREMOS ANALYZES DUARTE PEACE PROPOSAL

PA250008 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 21 Mar 86

[Station commentary: "Napoleon Duarte's Proposals and the Realities in Revolutionary Nicaragua and El Salvador"]

[Excerpts] The counterrevolutionary army that currently attacks the Nicaraguan people from its bases in Honduras and Costa Rica is about to collapse. Sixty percent of the mercenary troops are not in Nicaragua territory and their morale is low. Rather than planning military operations, the mercenary leaders are more concerned over the distribution of the millions of dollars coming from the United States. No one, not even the U.S. military experts, would bet a penny on the contras.

However, for the time being the contras are the fragile hope and the first defensive line for what the Reagan administration calls stopping revolutions in Central America. Reagan must help them, although in reality the contras are the ones who help the warmongering and anti-communist policy of the current U.S. Government. The mercenary Somozist army fully represents the interests of the Reagan administration. Therefore, Reagan is insisting on his battle for the $100 million. The world is witnessing how the U.S. Congress is brazenly debating whether or not to give $100 million in weapons and military equipment to an army of real bandits who have killed thousands of Nicaraguans.

Certainly, if this had taken place 10 years ago, the military dictatorships that ruled the majority of the Latin American countries not only would have viewed the aid for the contras favorably, but would have placed their armies at the orders of Washington. However, the continent's geopolitical map has changed. Actions that were unheard of 10 years ago occur these days more and more frequently. For example, eight Latin American foreign ministers traveled to Washington to tell President Reagan that their governments disagree with the U.S. aid for the counterrevolutionary army. Aside from Salvadoran and Honduran Presidents Duarte and Azcona, no government has favored the big stick policy that the U.S. Government practices in Central America. Washington is isolated in its aggressive policy.

However, Reagan must help his mercenaries. What to do? At this point, Napoleon Duarte comes onto the scene, waving a peace proposal for Central America.

If we pause and analyze Duarte's peace proposal, it is obvious that the proposal is not his, and that it is not a peace proposal either. Why? Let us see. The proposal has three points: 1) A summit of Central American presidents; 2) creation of a Central American parliament; 3) simultaneous and separate meetings between Duarte's government and the FMLN-FDR, and between the Nicaraguan government and the contras. The two first points in Duarte's proposal are really initiatives of Guatemalan President Vinicio Cerezo. By introducing the third point, conditioning talks in El Salvador, he is also conditioning and hampering Vinicio Cerezo's initiatives as well as those of the Contadora Group. This is precisely what the Reagan administration wants: to block all peace initiatives in the region.

The Nicaraguan revolutionary government will never hold talks with the Somozists, as they represent the interests of the Reagan administration. Hence, it should be the Reagan administration who should hold talks with Nicaragua, as it created and currently directs and finances the counterrevolutionary army. In this sense, Duarte, better yet the Reagan administration, introduced the Nicaragua-contras element in the dialogue as a factor to hinder and obstruct any other realistic and serious peace initiative. Duarte's proposal is only the translation into Spanish of a U.S. maneuver to favor its warmongering counterrevolutionary plans in Central America.

Furthermore, Duarte's proposal is aimed at giving the contras a representativeness they lack, at a time when the opposition to the mercenary war against Nicaragua in the U.S. Congress and on the continent is strong.

The reactions from the majority of the Latin American governments in the face of the Reagan-Duarte proposal range from the very particular stance adopted by Guatemala, passing through the ambiguous position of Costa Rice--which finds itself struggling between its desire for peace and economic pressures--to open rejection, as in the case of Peru, Argentina, Mexico, and other countries. Only the isolated voice of Azcona in Honduras enthusiastically and fully supports Duarte's proposal. In fact, it is shameful that Duarte's government spokesmen should brag about the support given by Azcona, who is known in diplomat circles as the new administrator of the U.S. aircraft carrier USS Honduras.

The Reagan-Duarte proposal, which is really a maneuver to favor the counterrevolutionary war, has received no support from the other Latin American countries or from the European countries.

Although the process in the U.S. Congress is a secondary aspect, since the $100 million is secured one way or another, it is an indicator of the degree of opposition that the Reagan administration would face, should it decide to escalate its intervention in Central America, by sending troops, for example.

Now, why is the Reagan administration so interested in the contras? What is the reason for the desperation that has led Reagan to tell the biggest lies and to make the most ridiculous statements a U.S. president has ever made?

Since the beginning of the past decade, U.S. imperialist policy has faced a difficult situation in Central America. The situation became even worse on 19 July 1979 with the victory of the Sandinist People's Revolution. The 1980's found Central America with a triumphant revolution and growing revolutionary movements in El Salvador and Guatemala, while Honduras and Costa Rica faced acute economic crisis which fostered social crises. Could the United States reverse this situation by sending its Marines when it is impossible to eliminate the Vietnam ghost from its circles of power and from U.S. society?

In Lebanon, 240 bodies of U.S. soldiers were enough for the Reagan administration to order a shameful pullout. Within this context, the United States has created the counterrevolutionary army as a defensive frontline for Reagan's policy in the region. The counterrevolutionary army is an artificial and mercenary war project. It has no internal political basis, and it is about to collapse altogether.

According to U.S. analysts, if the contras collapse, the current administration's warmongering policy would be defended in a second phase by the worn-out and beaten-up Salvadoran Army.

In addition, after the Vietnam disaster, the U.S. strategy seems to be: Washington supplies the dollars, and the natives supply the dead. An invasion by the Marines is not very likely right now. So Reagan must prolong the life of his defensive frontline. Hence, his intension is to give the contras international representativeness and internal political presence. The contras have not been able to open the much-desired internal front. Managua's Bishop Obando y Bravo has played the role of an internal front. Reagan's objective by opening internal political leeway for the contras is to restore their badly-hurt military strategy. Therefore, although the $100 million is already secured, the political battle in the U.S. Congress is important for Reagan. It is also for this reason that he has sent his star diplomat Philip Habib to the region, escorted of course by the "USS IOWA" and other battleships.

However, the geopolitical framework is unfavorable for Reagan's plans. Who on the continent could help Reagan help the mercenaries? Only Napoleon Duarte could. Duarte's peace proposal is made within this context. As we said before, it is neither Duarte's initiative nor a peace proposal. It is a political maneuver of the Reagan administration to hamper the peace efforts in the region and to favor the counterrevolutionary war.

We will conclude this analysis by saying that Duarte made a proposal to help Reagan in obtaining aid for the Somozist contras, who constitute the defensive frontline of the Reagan administration's interests in the region.

Let us suppose the contras are given the $100 million. Let us suppose the U.S. congress approves Reagan's request. Reagan would have played another card in his interventionist escalation. The contras would have more weapons, even missiles. The Nicaraguan Government would heighten their defense even more. The people would be more patriotic, revolutionary, anti-imperialist, better armed, and would fight against the Somozist with more determination.

The revolution would become even more radical, in order to defend itself. The contras would fire their missiles, and this action would have repercussions in all of Central America. A year later, the contras would be even more defeated and Reagan would be asking for more millions of dollars: $200, 300, or 500 million for the contras, and, in the end, the mercenaries would be irretrievably defeated. Meanwhile, the Sandinist revolution, having defeated a stronger enemy, would be strengthened. The defense of the imperialist interests in the area would then be transferred to El Salvador, where a battered, demoralized, and worn-out army would have to continue facing a powerful FMLN, which would have even closer ties with the people amid a political, economic, and social crisis. How long would the Salvadoran Army resist? Would the Marines then be sent to Central America to try to do what neither the counterrevolutionary army nor the Salvadoran puppet Army were able to do?

/9599
CSO: 3248/303

CITIZENS QUESTIONED ON READINESS TO SACRIFICE FOR NATION

Mexico City EXCELSIOR in Spanish 14 Mar 86 p 4-A

["Minisurvey: Sacrifices," by Adip Sabag. Survey carried out by Mexican Public Opinion Institute in the Federal District between 10 and 12 March 1986. Five hundred and fifty-two persons over 18 years of age were selected by quota method (e.g., sex, age), in accordance with data from the latest population census.]

[Text] What sacrifices would you be prepared to make in order to help the country emerge from the current crisis?

Cut in salary	6%
Work more hours without pay	29%
Pay more taxes	9%
Accept higher prices on government products and services (gasoline, electricity, telephone, etc.)	10%
Accept a reduction in social services (hospitals, schools, etc.)	19%
Other	21%
No answer	15%

(Percentages do not total 100 because of multiple answers)

/9274
CSO: 3248/278

MDN ISSUES COMMUNIQUE TO MARK EIGHTH ANNIVERSARY

PA272233 San Jose LA REPUBLICA in Spanish 18 Mar 86 p 7

[Communique issued by the Nicaraguan Democratic Movement, MDN, entitled "Eight Years of Struggle"; no date or place given; words within slantlines published in upper case]

[Text] We were born on 16 March 1978. We have existed for 8 years, and each one has made us participants in Nicaragua's stormy history of recent times.

We were born under the historical premise that politics should be handled by honest men who traditionally had been sidelined in the face of the great national problems. Under the slogan "Our Time is Now," we broke into national history to be a determining factor against the tyranny of the previous regime with which Nicaragua was afflicted. We triumphed in our struggle and we were betrayed by those who, not caring about the heroic blood of our people, took power to impose a totalitarian dictatorship of Marxist-Leninist leaning.

We bravely stood up against the new Sandinist tyranny, and today, some inside and others outside the country, we continue to struggle to establish a regime of progress and social justice in Nicaragua, in which the ballot box will define the country's destiny and make social, economic, cultural, and political democracy possible.

On this 16 March 1986, our eighth anniversary, we want to reaffirm the concepts expressed in our political ideology, which places the interests of the /fatherland/ above party interests.

We therefore categorically declare that:

1. The MDN is committing all its efforts solely and exclusively to the rescued, the blemished /fatherland/ from the Cuban-Soviet invaders.

2. Our party renounces all efforts that would lead to a futile struggle for a share of power, because its main task today is the recovery of the blemished fatherland. At the same time we reaffirm our sacred duty to participate actively in the struggle for liberation.

3. Without the /fatherland/ there can be no party; therefore, our partisian struggle will make sense only after we have recovered our /fatherland./

4. We believe that the recovery of the /fatherland/ will not be possible without the participation of /all/ Nicaraguans; therefore we wave the banners of dialogue and unity among all political groups that are combatting the Sandinist military regime. We therefore today form part of the /Nicaraguan Opposition Unity,/ which brings together all political parties and other fighting groups.

5. An analysis of the tragic situation of our country: A fierce persecution of all Christians, unprecedented offenses against our Cardinal Obando y Bravo, an absence of all freedoms, and constant disrespect for human life have made us reflect more and realize that we have only one adversary and enemy, and that is the FSLN military regime. We therefore urge all parties, unions, and business and professional organizations to consolidate in /unity/ to strike the final battle to rescue our /fatherland./ In this way, putting Nicaragua's interests above those of our party, we celebrate our eighth anniversary today, with great dignity and patriotism.

God Save Nicaragua.

Fatherland and Freedom

MDN National Council

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Eng Fabio Gadea Mantilla, Vice President
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Eng Carlos Abarca Cuadra, Treasury Secretary
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Juan Francisco Castillo

Disciplinary Court

Mario Benito Darce Q
Mauricio Telleria G
Carlos Martinez S
Ramon Valdivia

Functional Organizations

Zacarias Hernandez B
Jeannett de Calderon
Mario Torres R
Ariel Sotomayor M

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CSO: 3248/302

EPISCOPAL CONFERENCE ON CAMPAIGN TO DIVIDE CHURCH

PA221747 Madrid EFE in Spanish 1218 GMT 22 Mar 86

[Text] Vatican City, 22 Mar (EFE)--A communique issued by the Nicaraguan Episcopal Conference was published today at the Vatican. The document protests a campaign launched by members of the Sandinist government aimed at dividing the church and expresses a willingness to begin church-state talks in order to overcome the "current difficulties."

The text of the communique has six points:

"The bishops of the Nicaraguan Episcopal Conference, aware of the grave moments confronting the country and the church, express the following:

"1. We regret that often, above all recently, ecclesiastical representatives who are in an irregular situation with the church have attacked and slandered the church and its legitimate authorities with the logistical support of the government of the Republic.

"2. We note the seriousness of recent reiterated statements made by the Nicaraguan foreign minister which endanger the security of the bishops and church representatives, and demand clarification from the national government on whether the foreign minister's statement reflects the government's official policy or if he merely voiced his personal opinion.

"3. We believe that such attitudes increase the breach between those ecclesiastical representatives and the church, as they are responsible for inciting or encouraging disobedience toward the church's legitimate pastors; that is the Pope and the bishops who care in communion with him.

"4. We feel that this campaign is aimed at dividing the church, as we have said before, and that, in addition, it is a strategy to divert Nicaraguans attention from the grave problems of violence, the high cost of living, insecurity, and the shortages they are confronting.

"5. We are making a special call to the priests and the faithful, who are asked not to be misled by this strategy, and we urge them to adopt a position of meditation and prayer in order to contribute to the solution of these problems in a Christian way strengthened by the Holy Communion and the protection of Blessed Mary.

"6. Once again we express our willingness to seek ways to overcome the difficulties between the church and the state through dialogue."

The communique is dated in Nicaragua on 21 March and is signed on behalf of the Episcopal Conference by its secretary Msgr Bosco Vivas Robelo, the auxiliary bishop of Managua.

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CSO: 3248/302

PSC LEADER CALLS DRAFT CONSTITUTION 'TOTALITARIAN'

PA232308 San Jose LA NACION (NICARAGUA HOY Supplement) in Spanish 15 Mar 86 p 4c

[Text] Managua--Erick Ramirez, president of the Social Christian Party of Nicaragua, charged today that the draft constitution that has been presented by the National Assembly is "totalitarian and antidemocratic."

The National Assembly, which is completely dominated by the FSLN, recently presented a draft constitution that must be approved by the beginning of January 1987, at the latest.

Ramirez said that the document that has been presented does not clear up the confusion that exists between the state, the Army, and the governing party in Nicaragua.

The political leader noted: "Because of this, the draft constitution is already a failure."

The veto power that President Daniel Ortega will have if the Sandinist constitution is approved "is too broad and vague," and his participation in the preparation of the national budget will also be too broad and vague, he said.

Ramirez also criticized the inclusion in the constitution of a clause establishing "the obligatory military service" of young Nicaraguans, a situation "that has caused much pain to the families of Nicaragua."

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CSO: 3248/302

ALDO ZUCCOLILLO ON FREEDOM OF PRESS, STROESSNER'S REELECTION

Freedom of Press

PY222051 Asuncion Radio Primero de Marzo in Spanish 1445 GMT 22 Mar 86

[Article by Eligios Farina]

[Text] We spoke with Aldo Zuccolillo, director of the newspaper ABC COLOR, on the occasion of the second anniversary of the closing of that paper.

[Begin recording] [Farina] Good morning, Mr Zuccolillo.

[Zuccolillo] Good morning. Cordial greetings to all listeners of Radio Primero de Marzo. We are now recalling the second anniversary of the closing of our newspaper. In fact, so far we are rather surprised over the fact that the government has not yet provided evidence for the accusations made against us. However, we are still waiting for some event that could result in the reopening of the newspaper.

[Farina] Would this event be of domestic or foreign nature?

[Zuccolillo] Well, the event could be of any nature. It can be an order from the very government of Paraguay allowing us to reopen the newspaper. Just as 2 years ago, when one morning at 1100 we received a very polite gentleman who carried a piece of paper saying: the newspaper is hereby closed. In the same manner we hope that another man equally polite will come to us bringing from Minister Montanaro another piece of paper saying that the newspaper can be reopened.

[Farina] To refresh the minds of our listeners, what is the situation of the legal aspect? As far as we can remember, a petition was presented to the court asking that the closure be declared unconstitutional. But this petition was rejected, isn't that true?

[Zuccolillo] Well, if the court rejects a petition to declare an order unconstitutional, then, there is nothing else we can do. We understand that freedom of expression and thought are provided for by the national Constitution, and when a minister of the executive branch decides to close a means of communications, and in addition, does not provide any evidence for the accusations, and when the Supreme Court says that we have taken the wrong path to request the protection of our rights, there is nothing else we can do. No one has more power than the Supreme Court in Paraguay.

[Farina] Do you have any unofficial report about whether there is a chance of reopening the newspaper in the near future?

[Zuccolillo] Well, we do not have any sort of suggestion or anything like it. Moreover, we believe that should there be any type of suggestion for reopening, there will be serious restrictions to the movement of our reporters. Perhaps the government will even ask us to dismiss some of our reporters, such as Alcibiades Gonzalez del Valle, or Edwin Britez. These boys have conducted very tenacious work, trying to explain aspects of our national life, during the time our newspaper had circulated. Should the government ask us to dismiss any of our employees, it will represent a tremendous obstacle, and we would never accept it.

[Farina] Many people feel that ABC COLOR had predicted, prophesized so to say, what would happen afterward, that is, such cases as the evasion of foreign currency, and other government administrative issues being questioned now. Did ABC investigate these issues thoroughly, Mr Zuccolillo?

[Zuccolillo] There is no need to have been or to be a magician to predict what could happen when the conditions were appropriate. For us it was very simple. Moreover, all the people could see what was happening, and they all thought the same thing. There was a very serious risk with the official dollar rate at 240 guaranies, while on the parallel market it was sold at a rate of 800 guaranies. This was one of the many aspects to consider. So, we think that there is no need to be a soothsayer to realize what can happen. Let us take an example. If you place a naked woman in the middle of prison yard, it is very easy to presume what will happen to her. The same thing happened here in the country.

[Farina] Mr Zuccolillo, do you consider the negotiations that are being made, important, for example, the organization that was here not long ago, the Americas Watch, and other foreign organizations that, to some extent, are concerned about the situation of ABC COLOR, because they usually mention this newspaper in their reports or investigations.

[Zuccolillo] They are extremely important and hopeful, because taking into account remarks made by government officials, there is absolutely no hope for the implementation of freedom of expression here. Therefore, I believe that when people from outside come and express concern over the situation, or make a report which then reaches all international institutions, all governments, and all democratic parties of the west, the officials feel rather inhibited about saying that there is democracy in the country. You know that there can be no democracy where there is no freedom of expression. Not only at national level, but within an institution, in a house, or wherever. Where there is no freedom of expression for the persons who constitute the nucleus of that family, it will be very difficult to say that there is democracy. The same thing is happening in our country. Press freedom is the basis of all other freedoms, rights, and guarantees of the citizens. And right now we do not yet have press freedom, and we will continue in this manner for as long as a communications medium, regardless of its name, remains closed.

[Farina] Mr Zuccolillo, many people also wonder whether you will persist, or whether you will change your position to achieve the reopening of the newspaper?

[Zuccolillo] Well, we have no other alternative. Our hope blossoms again when President Reagan refers to our country and to our government. Our hope blossoms again when we receive letters from influential political leaders from the Western world expressing regret over what is happening with our newspaper. As the days pass, we feel that we axe closer to the reopening of the newspaper. And more than that, we are also closer to the day when we will enjoy freedom of expression in our country.

[Farina] Thank you very much, Mr Zuccolillo. It was very kind of you to answer our questions. [end recording]

Reelection View

PY211614 Paris AFP in Spanish 0357 GMT 20 Mar 86

[Text] Asuncion, 20 Mar (AFP)--Aldo Zuccolillo, the director of the daily ABC COLOR, which was suspended by the government on 22 March 1984, today told AFP that General Alfredo Stroessner will decline to be a candidate for an eighth term as president in 1988.

The spirited 57-year-old journalist said that he has lost all hope of having his newspaper back on the streets as long as Gen Stroessner is in power.

ABC COLOR was closed on 22 March 1984 by a government resolution after 16 years of journalistic activity on charges of subversion against the government and of inciting hatred among Paraguayans.

The closure of the newspaper, which had the largest circulation in the country, left about 5,000 people without work, and some of them had to work for other newspapers in the capital to make a living.

Zuccolillo, who was proposed by an opposition leader as the single candidate of the opposition to face Stroessner in the March 1988 presidential elections, said that none of the charges made by the government to justify closing the newspaper was proven in the court.

He added that on the contrary, all the potential problems that ABC COLOR warned about developed, and the country is now immersed in a profound political, economic, and social crisis, which is going to get worse fast if the government ignores the corrective suggestions.

Zuccolillo pointed out that the spectacular and incredible theft of foreign currency from the state, which was reported last year, was predicted by ABC COLOR when the multiple exchange rate system was established (official and parallel dollar rate) and that this prediction irritated the government.

He added: We alerted the people about the government and Armed Forces' rampant corruption, and those reports contributed to the closure of the newspaper.

He emphasized that nowadays in Paraguay the people who hold power are competing to get rich quickly, predicting the imminent collapse of the government.

Regarding the country's political situation, he said that in Paraguay, the opposition is disorganized and silent as a result of the tricks created by the antidemocratic regime.

He said that many people have associated Duvalier's fall in Haiti and Marcos' fall in the Philippines with Paraguay and Chile because of the military nature of these regimes.

Zuccolillo pointed out that after 32 years of tough and atrocious persecution, the political opposition cannot react because of the regime's artificial laws, which prevent the opposition from developing. These include police harassment of opposition leaders, the state of siege, and the prohibition against assemblies.

He explained that the most outstanding political leaders have either been sent into exile or persecuted 24 hours a day, their telephones cut off or tapped, and that they are only allowed to go from their homes to work and back.

He said that under these terrible conditions, similar to the conditions prevailing in Poland, Cuba, or Nicaragua, the opposition cannot develop.

Zuccolillo also praised the efforts of the Catholic Church to cooperate in persuading Stroessner to talk with the opposition.

Asked about Storessner's candidacy, which has been officially announced by the regime's Colorado Pary, Zuccolillo said that Stroessner will not accept another reelection.

He added that Stroessner will name a civilian to replace him and then take over command of the Armed Forces to continue in power thus using the same strategy of General Torrijos in Panama.

Expanding his theory, Zuccolillo said that Stroessner knows that power in Paraguay lies with the Armed Forces and not with the civilians or political parties.

Zuccolillo added that Stroessner knows that his eighth reelection would not be accepted because even the few who are ignorant of our situation would label him as dictator.

He said that with this political game, Stroessner will disconcert international public opinion, which considers him, along with Pinochet, as one of the most hated dictators.

The ABC COLOR director discarded any possibility of political transition while Stroessner is in power because for that it is necessary to have democrats among politicians and officers.

Asked what political party he belongs to Zuccolillo said that his party is Paraguay and "I will continue with that as long as I have a breath of life no matter how it bothers the country's dictators or their allies."

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CSO: 3348/475

DAILY INTERVIEWS ALDO ZUCCOLILLO IN BRAZIL

PY090145 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Mar 86 p 6

[Article by special correspondent Jose Maria Mayrink]

[Excerpts] Paraguayan journalist Aldo Zucolillo left the meeting of the Inter-American Press Association [IAPA], which met this week in Salvador and discussed freedom of expression through the Americas, without the smallest hope of reopening the newspaper ABC COLOR, which was closed down exactly 2 years ago by General Alfredo Stroessner's government.

Zuccolillo stated that "my country has to carry out an urgent political reorganization and in my opinion Brazil could serve as an example." He also pointed to the overthrow of the Duvalier dictatorship in Haiti saying that it could be Stroessner's turn next, and noted the ever-increasing pressure of the Catholic Church and the diplomatic offensive of the United States.

The pressure applied by the Catholic hierarchy began 1 month ago when Msgr Ismael Rolon, the Archbishop of Asuncion and president of the Paraguayan Episcopal Conference, proposed to the executive board of the Colorado Party the opening of a dialogue with the opposition and the return of exiles to Paraguay.

The proposal was supported by the opposition parties and by the leaders of the political groups that are not officially recognized. However, the measure also attracted a series of attacks from leaders of the Colorado Party, which supports Stroessner.

The harshest government reaction was against U.S. Ambassador Clyde Taylor, who since January has been holding meetings with recognized and unrecognized opposition groups to discuss Paraguay's problems,including the foreign debt and the church's proposal.

The newspaper HOY, one of Asuncion's five pro-government newspapers, insinuated in a commentary that the U.S. Embassy could be burned down by the people and it recalled that during Ambassador Robert White's tenure a U.S. flag had been burned in front of the embassy. "We have our problem, but we Paraguayans are used to resolving them ourselves," the same article warned.

Journalist Aldo Zuccolillo, who was interrogated by the police in November 1985 after a trip to the United States, has stated that Paraguay's hope resides with "the air taxi [taxi-aereo] that Reagan sent in Haiti and the Philippines in order to remove their dictators." His evaluation of the country's future:

"Despite all opinions, I am convinced that Stroessner will not become a candidate in order to be re-elected once more in the February 1988 elections: I believe that he will pick a civilian and, as Omar Trujillo did in Panama, remain in his role as commander in chief of the Armed Forces and in that way try to gag all the foreign criticism against him. Stroessner does not consider himself a dictator and he argues that there is peace and calm in Paraguay. He mistakes peace for the fear of the people."

[Asuncion HOY in Spanish 15 February on page 10 carries a commentary by newspaper owenr, Humberto Dominguez Dibb, in one paragraph of which he says:

"I don't want to engage in a controversy with Mr Taylor. Yet I want to tell him: Stop meddling in our domestic affairs. We have problems, but we Paraguayans are used to solving them ourselves. We already had to deal with one of your predecessors, Mr Robert White, who came with his strange ideas. The people demonstrated against him and burned the U.S. flag in front of the U.S. Embassy, and the people were right, because White attempted to create anxiety here. Since he did not succeed, he went to El Salvador, where he got the people stirred up and even supported the guerrillas. Therefore, Mr Ambassador (if you deserve to be addressed like that), stop holding meetings with communists at your embassy, because, instead of a flag, it is your embassy which could be burned."]

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CSO: 3348/477

EL PUEBLO INTERVIEWS ALDO ZUCCOLILLO

PY262018 Asuncion EL PUEBLO in Spanish 26 Mar 86 pp 4, 5, 6

['Exclusive' interview granted by Aldo Zuccolillo, former director of government-closed newspaper ABC COLOR, to EL PUEBLO journalist Jose Luis Simon last week--no place given]

[Text] [Simon] ABC COLOR was closed by a dictatorial as well as totalitarian measure. You are forced to remain silent in your country. What do you have to say about this?

[Zuccolillo] The serious thing is not to prohibit one from speaking. The serious and important thing is the lack of freedom of expression in our country, and that affects everyone. With the closing of ABC COLOR they have left the people without a spokesman, which is very harmful for the evolution of institutions. We call ourselves a democratic country; if this were the case, the laws should be the only limits on freedom of expression. An Interior Ministry by no means should decide which newspaper or radio is authorized to voice its opinion.

[Simon] During his recent and insignificant visit to Europe, Foreign Minister Saldivar maintained that no arbitrary decision was made in the ABC COLOR case.

[Zuccolillo] Of course, he has to sing to the government's tune. The same goes for the Supreme Court of Justice. Even Argana [president of the Supreme Court of Justice] will have the opportunity in the future, when there is freedom, to defend his approving such measures as the closing of ABC COLOR. Many others will have the same opportunity.

[Simon] President General Alfredo Stroessner has stated that his government "is not in a deficit with democracy." What do you have to say about that?

[Zuccolillo] But what democracy is General Stroessner talking about? Is he talking about the 32-year-old state of siege? About the amendments made to the National Constitution so that he may remain as president-for-life if he so desires? Of the police forces that persecute the members of the MOPOCO [Colorado Popular Movement] day and night? About the police cordon that prevented, not "protected," access to the Febrerista Revolutionary Party [PRF] meeting? I personally witnessed that. What democracy is President Storessner talking about? He could talk about democracy if freedom of expression existed....

[Simon] I am certain that those in charge of the dictatorship's propaganda will state that this interview proves that "there is freedom of expression in Paraguay."

[Zuccolillo] The fact that I am able to express my opinion through this newspaper does not mean that there is freedom of expression, which is something much broader: freedom of expression means that all citizens can equally voice their opinions.

[Simon] In countries where freedom of expression exists even the Executive Branch can be criticized without any restrictions except for those imposed by law. Is that right?

[Zuccolillo] That's right. I wonder why we cannot criticize the president of the republic in our country? He is a public servant who is paid by the taxpayers. He does not own the country. I believe that criticism should be free and that everyone should be responsible before the courts for what he says. The interior minister cannot administer justice. The interior minister cannot close down a newspaper. This must be ordered by the court but the court must adopt the decision after deliberating, not, as in the case of ABC COLOR, after the minister closed down the newspaper. The court then openly eluded the issue.

[Simon] Mr Zuccolillo, let us change the subject. Wouldn't you like to share ABC COLOR's journalistic success with your colleagues of JOY, EL DIARIO NOTICIAS, and ULTIMA HORA newspapers.

[Zuccolillo] It is easy--publish a good newspaper that is accepted by the readers. In the first place, those newspapers' directors should overcome fear. In the second place, they should break their commitments to government officials. In the third place, they should serve the readers. With this formula they could publish a newspaper not like ABC COLOR but a much better one.

[Simon] How did ABC COLOR overcome fear? Did it have any commitments to Stroessner's government and if so, how did it go about breaking them?

[Zuccolillo] We never had any commitments to anybody because opening a newspaper full of commitments means restricting it right from the start. Our purpose, right from the start, was to serve two helpless sectors in this country, I repeat, helpless sectors, and I am referring to the taxpayers and the consumers. Our commitment has always been to those sectors....

[Simon] But you are not going to tell me, Mr Zuccolillo, that there haven't been two quite different ABC COLORs. One, which for a long time was also insignificant, and another, which became the country's critical conscience. The second ABC COLOR was the one that was closed down. How do you explain this process?

[Zuccolillo] The thing is, we started to wear long trousers. One, for example, cannot invent journalists. A lot of time elapsed before we were able to have journalists of the kind we have in our country today. When we opened the newspaper we could count on the fingers of one hand the number of journalists available. THey were old-fashioned journalists, very respectable people nevertheless, but they were journalists accustomed to a calm and relaxed country in which guaranias [Paraguayan folk songs] are sung, to a country that no longer exists simply because times have changed.

[Simon] Let us speak about fear. How did you manage to overcome it? What was the process in this regard?

[Zuccolillo] What we used to do was to discuss our fears among ourselves. We compared them and afterwards, we came to the decision to publish this or that. I would say that in the end we got used to our fear. Here inside the newspaper editing room, everyone had his sleeping mat behind the door in case the police came to take someone. And this happened several times. We simply did not want to be overcome by fear. Right now, because of this interview, I am positively sure that the government propganda media will say barbarous things about me....

[Simon] Then, that makes two of us who fear this interview, Mr Zuccolillo.... But it seems that recently, many Paraguayans no longer want to be dragged down by fear. Do you agree with that?

[Zuccolillo] Of course. And this is the result, or partial result of Stroessner's government's action, and of the very situation we are experiencing. Internationally, we have better means of communications. The Paraguayans of today are not the same as those of 1954. They already have different views of things. They listen to national and foreign radios. They get information through national and foreign television services. They go to movies...read newspapers and magazines.

[Simon] Are you telling me that Gen Stroessner is like the sorcerer's apprentice of the fairy tale, who unleashed an infernal fire he could not put out?

[Zuccolillo] No. I would not put it that way. Storessner is very astute. Politically, he is a fox, and I believe that in time, perhaps, with more coolness, we will be able to analyze the characteristics of this gentleman. Today we are all annoyed by the arbitrary and dictatorial manner in which he handles the country. In time perhaps, we will forgive him some mistakes, and perhaps we will stress others.

[Simon] Before going into political predictions, let us talk about the political situation in our country now. What do you think about it, Mr Zuccolillo?

[Zuccolillo] With pleasure. I believe, as I stated before to O ESTADO DE SAO PAULO, our country must be reorganized politically. You just cannot hand pick all public employees....

[Simon] The first qualification for being handpicked is membership in the Colorado Party...but what you are proposing involves a democratic process....

[Zuccolillo] We are on the eve of democracy. I believe that democracy is about to be born in this country. However, there is something that worries me. Talking about Paraguay, a well-known foreign journalist told me that democracies are always born in bloodshed. That hurt me. Ever since I heard that I decided to make every effort through the newspaper to try to achieve a peaceful transition from what we now have to what we will have in the future.

[Simon] Do you believe that is possible?

[Zuccolillo] I believe so because there is now a very important factor with a great deal of influence: President Reagan's decision...however much the government might dislike it.

[Simon] Are you talking about Haiti and the Philippines?

[Zuccolillo] About all the pressures from Reagan, Shultz, Abrams, etc., on Paraguay. The Reagan administration can hardly think this is a democracy in light of the reports on human rights in Paraguay released by the U.S. Embassy and published by EL PUEBLO. This is a very important factor. Therefore, I believe that Gen Stroessner's situation is very delicate. And I believe that President Stroessner, with the political experience he has, knows this very well. I seriously doubt that he is unaware of the risks his government is running under the current conditions. This is why I believe I am the only one who has a different idea of what is going to occur in the next elections....

[Simon] Tell me what, for example.

[Zuccolillo] I am certain that President Stroessner will not accept the presidential candidacy....

[Simon] Do you believe this is possible? Do you sincerely believe it? Do you have confidential information?

[Zuccolillo] I do not know. I have a hunch. I believe he is going to choose a civilian candidate....

[Simon] Stroessnerism without Stroessner?

[Zuccolillo] No...he will remainder commander in chief, where his real power is.

[Simon] Then the political situation would not change at all.

[Zuccolillo] Yes it would because there will be a civilian president. It would no longer be the government of President Stroessner. It would be the government of the Colorado Party and of course Gen Stroessner would continue to govern from the armed forces command...as Torrijos did in Panama. This is not a new formula.

[Simon] Of course, but that would not imply any progress toward democracy either.

[Zuccolillo] I do not know whether that would imply any progress from the viewpoint of the power of the alleged civilian president. But it would be a decisive move that would serve propaganda objectives abroad.

[Simon] I do not know whether this could help break the current international political isolation of the neo-Colorado, Stroessnerist regime.

[Zuccolillo] All that can change. Can you imagine what would ha-pen if they choose a man like Dr Argana [Supreme Court president] as presidential candidate?

[Simon] Then it would not be a transition toward democracy, but just another manipulation of democracy. Can you imagine a democracy in which the executive branch receives orders from the armed forces commander?

[Zuccolillo] Yes, you are right. But while the armed forces continue to play the political role that they have unfortunately been usurping since the founder of your party....

[Simon] Please excuse me, but I cannot say that I have worked for the PRF's cause because I am not a PRF member. As the editor of the newspaper EL PUEBLO, however, I have worked closely with PRF companeros....

[Zuccolillo] I did not know that.... But I reiterate that after 17 February, civil power gave way to the military in our country....

[Simon] I believe the militarization of our political life did not begin in 1936 but at the end of the 1870 war. In his book "The Second Republic," Ricardo Caballero tells us about the true nature of "Caballerism" [from Colorado Party founder Bernardino Caballero]. At that time there were no military institutions as there were at the end of the Chaco war, but that is something else. In Paraguay, political events have almost always been marked by the use of force....

[Zuccolillo] But don't you agree that the situation has worsened after 17 February...?

[Simon] There is still a lot to be said about this. But let us not concentrate on historical matters. Let us return to the present, for example to the dictatorship's international political isolation.

[Zuccolillo] To a considerable extent, that situation stems from the fact that the government did not peroperly assess the consequences of the closure of ABC COLOR. Following that action, the world's democratic press turned its eyes toward Paraguay. This has attracted foreign journalists, who investigated the situation in our country, but not through the government's propaganda. And that was the beginning of an international public opinion movement that has opposed the Stroessner administration.

[Simon] I am thinking of the television program on the U.S. CBS network (the transcript of which was published in EL PUEBLO) [60 minutes segment on Paraguay] and of the latest annual IAPA meeting in Bahia, Brazil. And yet, here they continue speaking of "a worldwide communist campaign of disinformation about Paraguay."

[Zuccolillo] I ask myself: What does Gen Stroessner expect, with radio programs like the Voice of the Colorado Party and articles and editorial like those in PATRIA, attacking U.S. Ambassador Taylor, and even being disrespectful of President Reagan? Does Stroessner believe that his external image will thus be improved? But, no! It works the other way.

[Simon] Mr Zuccolillo, Fernando Levi Rufinelli proposed you as the candidate of the opposition for the 1988 elections, with the intention that you head a government of transition to democracy over a 2-year period. Will you run?

[Zuccolillo] For me to tell you that I am a candidate for some position would be a contradiction. I maintain that politicians must be well-educated people. We can no longer hand power to a general who has 10,000 machineguns, or to a Daniel Ortega, who has 5,000 guerrillas, or to a Fidel Castro. We can no longer hadn the government over to people who are not prepared for the job. To govern our countries is becoming more difficult all the time because we have serious political, social and economic problems that must be solved. Ill-prepared people will not be able to resolve them. Just imagine, General Barrientos as finance minister.... Just imagine the complexity of the nation's economic problems and General Barrientos as finance minister. I am against lack of preparation for a job in whatever area. To command an army in war, I would choose the best general; and to lead a government, the brightest of our politicians, regardless of which party he comes from, the one who proves to be the brightest in 24 months of exposure on television and newspapers, expressing his ideas and confronting them with the ideas of other politicians. This is democracy. Only then would I choose the candidate, one who is capable. We only need capable men in government...that's all.

[Simon] What's your opinion about the leaders and parties of the opposition?

[Zuccolillo] They are quite critical and very negative....

[Simon] Why?

[Zuccolillo] I do not know if it is because of lack of communication, but of all the politicians, none of them convinces me. I am very sorry to have to say this. I have the same respect for all of them and I feel a great deal of solidarity with them. I would be happy to find out that there are in the opposition, politicians who have prepared themselves to become president, or finance, industry, or commerce ministers. I am afraid that many of our opposition leaders have wasted their time. Perhaps being persecuted, living in exile, or trying to make a living. Politicians must be willing to bear the burdens and to continue being politicians and improving themselves.

[Simon] I believe your criticism is unjust. You are forgetting an almost totalitarian dictatorship for over 30 years. What opposition leader has had access to a public position under the Storessner administration? And we are not talking about the persecution or the leadership that has been destroyed by the dictatorship. Also, what serious congressional experience or national or regional administrative respoknsibility have opposition leaders had since 1947? They were even prevented from having economic stability. It is true that leaders do not just materialize. This is one of the characteristics of democracy. Here not even the municipal intendants are democratically elected....

[Zuccolillo] This is how it should be started...things begin that way...from the bottom.

[Simon] But that involves a democratic institutionality and freedom of the press. As I said, only in the last few years before its closure did ABC COLOR decisively support Paraguayan civic activity.... Now, let me ask you one thing: What official politicians meet the requirements that you do not find among opposition leaders?

[Zuccolillo] No, none among the officialists. Maybe there is one among them trained for some congressional activity. Generally, all the official politicians are handpicked, restricted, and limited. They are horrified, dead scared.... They do not know...they want to express their opinion just as Deputy Seifart did, but they dare not do it. This shows that the official politicians are very limited in their preparation.

[Simon] Allow me to remind you that among the opposition parties and among those who are not opposition party members but who are likewise not officialists, we have people who are prepared. We have economists, artists, intellectuals, lawyers, engineers, philosophers, historians, social scientists, technicians, medical doctors.... Many of them have been very successful abroad, not just in the country. These people never had the chance to use their talent to the benefit of the country. Since 1947, belonging to the opposition was always meant living as an outcast and being persecuted.

[Zuccolillo] I admit that if one is not a member of the government party, all the doors are closed.

[Simon] Therefore, you must include this aspect in your balance of the opposition leaders....

[Zuccolillo] That is right.

[Simon] And please do not forget the systematic repression throughout decades.

[Zuccolillo] Right, right.... This is one of the mitigating factors of the political opposition's lack of coordination and sequence. We were not able to practice opposition because the conditions did not exist.

[Simon] Excuse me for insisting, but I would like to return to one of my questions, that of your possible candidacy. If in this country, a cavalry sergeant or a police officer can aspire to the presidency, why couldn't Aldo Zuccolillo, director of the main Paraguayan newspaper, be able to unify the opposition behind him and head a transition government to establish the bases of a democracy to be attained within a previously determined short term?

[Zuccolillo] I am aware of my limitations. There are professionals, there are politicians who know about politics. It is they who should do the job. I believe that the fact that a cavalry sergeant can harbor presidential aspirations does not mean that just anyone can expect to win the presidency. This is opposed to the position that I have always maintained and that I will continue to maintain: The only way to improve our country will be to give the most important posts to those who are most capable. We cannot afford to continue with the same minister of industry and commerce. I do not know if he was ever qualified for the post. Now he has shown that he is unfit. I am against improvisation. Improvisation might be mandatory during a revolution. Yet even a revolution has its limits because even a revolution should place the best people in public posts. One cannot appoint one's child's godfather, one's friend, son-in-law, or nephew, as is happening now. Therefore, I see no other alternative: The candidate to be sponsored by the National and the opposition parties in the next elections must be chosen on the basis of a popular consensus. I believe that if the people exert pressure it will be easy to restore press freedom and freedom of expression, which will be essential for the presidential elections. If there are ever any!

[Simon] Of course, we don't know for sure if we will get there because public and private freedoms will be necessary, in addition to freedom of expression. The progovernment party should cease using the state apparatus in its favor; the military must stop intervening in favor of the ruling class; and many other things must be corrected.

[Zuccolillo] We will have to wait and see if we have elections in 1988.

[Simon] Mr Zuccolillo, when will we again read ABC COLOR?

[Zuccolillo] Only God and Stroessner know. If God could be transformed into a person, we could ask Him.

[Simon] And what if we ask General Stroessner?

[Zuccolillo] He will answer that it is a case on which the court has rule, and it is therefore closed, as he has recently told General J. Galvin, Commander of the U.S. Southern Command. Of course, conditions change. We will wait.

[Simon] We could ask the Paraguayan people also....

[Zuccolillo] Conditions change. We will wait.

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CSO: 3348/480

OPPOSITION LEADERS SAY 'NO DEMOCRATIC OPENING'

PY072248 Paris AFP in Spanish 1434 GMT 7 Mar 86

[Text] Paris, 7 Mar (AFP)--Paraguayan opposition members Euclides Acevedo, a Febrerista Revolutionary Party (PRF) leader, and Jose Carlos Rodriguez, a sociologist who took asylum in France, last night stated that in Paraguay there is no democratic opening and that there will not be one as long as General Alfredo Stroessner lives.

Presenting a new book to the press in which they write on a proposal for a political arrangement to achieve democratization in Paraguay, Acevedo and Rodriguez stated, that now it is necessary to win the political freedom that will allow a transition to democracy.

According to Acevedo and Rodriguez, the transition is imminent because the head of state, who is 73 years old, does not enjoy the privilege of immortality. They predicted that the dictatorial regime will end with his death.

In their opinion, a new electoral law permitting the establishment of a government through truly free elections, constitutional reform, the formation of a new judicial branch, and the removal of the armed forces from politics are necessary to achieve democratization in Paraguay.

All this will only be possible if the opposition, which is now severed from the social movement, is strengthened and is able to propose clear goals to the people, they stated.

In Paraguay it is necessary to implement a permanent popular mobilization including all the political, economical, social, and cultural aspects (to achieve) a cultural, anti-dictatorial, and democratic insurrection, they added.

Acevedo, a leader in the PRF, which is a member of the National Accord Coalition, stated that the opposition made contacts with U.S. Government representatives but that one cannot trust that the United States will play a leading role in the transition to democracy. In turn, Rodriguez admitted the possibility that an agreement may be reached between the opposition and Stroessner's followers after the death of the head of state. Rodriguez, however, based this agreement to the fulfillment of several conditions, especially the release of political prisoners, the lifting of the state of siege, which has been in effect for 30 years, and the recognition of all the political forces, without exception.

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CSO: 3348/478

PATRIA SCORES AMERICAS WATCH OBSERVATIONS

PY242313 Asuncion PATRIA in Spanish 24 Mar 86 p 7

[Editorial: "Interference and Prejudice"]

[Text] Anything that may have been said by the hurried visitors of Americas Watch who, after 3 or 4 days think they know everything about Paraguay, is tolerable when they refer to facts that deserve different opinions, and when the opinions do not involve decisions on sovereignty. However, when the observation touches political problems within the institutional order, then we refute the right of any foreign visitor who may want to meddle, and much more when it is obvious that he favors particular sectors.

This is the case of the notorious Patricia Derian and of Scott Greathead who, after meeting with leaders of the irregular opposition groups, made remarks to the press resulting in an implicit and direct attack on the Colorado Party. A local newspaper has transcribed Greathead's remarks: "A ruling political force cannot decide as it pleases that a given party is legal and that another is not, and dare to call this fact a democracy." The interference is gross and arrogant; the affront jumps out at you, but not to give the false impression that we are acting in a temperamental way, let us review what our laws say, beginning with the Constitution.

Article 117 says: "All Paraguayans qualified to vote have the right to organize themselves in political parties to participate, through democratic means, in the election of authorities and in the implementation of national policies. The law will regulate the Constitution and the activities of political parties in order to safeguard their democratic nature and to guarantee the fact that they are equal before the law."

We are only beginning to deal with this matter and we can already see the falsehood of the representatives of Americas Watch. But let us not pass hasty judgments, because we have to study this thoroughly.

Continuing with the Constitution, which is the fundamental law of the Republic, we find that Article 118 establishes some of the essential guidelines for political parties. It says: "The organization or functioning of any political party which seeks to destroy the republican democratic, and representative government or the multiparty system will not be permitted.

The subordination or alliance of Paraguayan political parties with similar organizations of other countries is forbidden. They can neither receive subsidies nor instructions from abroad."

Very well, still under these constitutional norms, Chapter 3 of the electoral statute, Law No 886, is dedicated to the political parties, from Article 18 to 35, inclusive. That chapter describes what constitutes a political party, its rights, duties, and obligations, what is allowed and what is forbidden, their activities and role, and the procedure to settle controversies.

Just to give an example, to disavow even more the meddlers of Americas Watch, let us read what Article 20 of the statute which says: "Paraguayan political parties are of permanent and national nature (there are no temporary "parties"). In order to be registered at the Central Electoral Court they must prove to have no fewer than 10,000 voters properly registered and identified. They must also have a statute approved in a democratic convention or assembly or members. This statute must include the party's doctrine and principles and the norms for the organization of authorities and their activities. It must also establish the procedure to approve their political and electoral platforms, and for the election of candidates to elective posts from among their members..."

Then, it is neither the Colorado Party nor the government that decides "as they please, if one such political party will exist and not another." This is decided by the Constitution and the law, and if there be any controversy, the Central Electoral Board is open for any administrative matters, while the national courts are open for legal cases.

It is obvious that the hurried visitors of Americas Watch are biting off more than they can chew, and they have done so in such a clumsy manner that puts in doubt the reliability of their observations. In sum: It was another demonstration of the prejudices that tarnish the defense of human rights; prejudices that crop out from the impulse of the most unpredictable sectarianisms.

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COLORADO DEPUTY DISCUSSES CRITICISM AGAINST PARTY

Reviews Remarks To Regional Precincts

PY132310 Asuncion HOY in Spanish 11 Mar 86 p 8

[Excerpts] In a brief interview with the newspaper HOY, Colorado Party Deputy Angel Roberto Seifart yesterday explained why he issued his now-well-known message to the Cordillera-region Colorado Party members. He said that he delivered the speech in response to an invitation by the regional Colorado party precincts, and that he is certain that no Colorado Party members can disagree with what he said.

But what did Seifart say? He said many things that have never been said about present Colorado Party issues; and he said them "within the framework of Colorado Party principles." He talked about popular sovereignty: "We shall categorically and firmly uphold the free vote, freedom of speech, freedom of the press, and freedom to hold meetings because these are essential conditions to safeguard the peaceful exercise of political rights and law and order, which are in keeping with the great party goal of achieving a government for the people, by the people...."

In his speech Seifart said that on the occasion of the calling of the National Constituent Assembly in 1977 to amend Article No 173 of the Constitution, which established that the president could only be reelected once, so as to allow the reelection of General Alfredo Stroessner, "the opposition parties refused to take part in the Constituent Assembly thus leaving us with the heavy burden of having approved a life-long presidency. This is an antidemocratic and unpatriotic crime, which is completely against the intentions of the Colorado Party delegates attending the Constituent Assembly. The principle is simple but inflexible. The Colorado Party does not admit life time tenures for government posts because it is and wi-l continue to be what it has always been--a traditional, republican, and democratic political association."

Also present at the Cordillera-region Colorado Party meeting was Juan Ramon Chaves, president of the Colorado Party Governing Board, who in his message agreed with the objections raised by Siefart by saying that "there are many injustices, and many mistakes"; but if this was the case why has so much time gone by without a profound discussion of the problems affecting the party?

Seifart said: "I categorically state that no Colorado Party member can disagree with what I said from a doctrinaire, and philosophical point of view because my statements are in keeping with the real situation that prevails in the country. Because of their objectivity, I believe that my statements are irrefutable. This is so because I made an analysis from a positive view point noting with unquestionable pride what the Colorado government has accomplished during its administration; and because I also note the other side of the coin, the negative aspects, the mistakes that are characteristic of any undertaking involving human beings, as does the Colorado Party.

Colorados, Opponents Reaction

PY131620 Asuncion HOY in Spanish 11 Mar 86 p 8

[Text] Paraguayan political leaders have reacted in various ways to Dr Seifart's remarks. For some, the concerns that this Colorado Party Executive Board member expressed have already been taken into account. However, Seifart's criticisms were better received by the opposition, both within the Colorado Party and outside, as one shall see further on.

Leandro Prieto Yegros [Colorado Party deputy and member of the Executive Board]: "President Stroessner's administration has been against all the outrages that Dr Seifart criticized from the very moment it took over power, thus marking the end of a phase of anarchy, factional struggles, subjection, and servitude. In his state of the nation address on 1 April 1985, President Stroessner said that all those who violate the laws will be persecuted, regardless of the cost.

"For those of us who are totally committed to the Colorado Party, the important thing is to defend the great postulates of social justice, the main pillars of the historical role that our political party plays. One particular recent example is the draft law on labor union stability that did not receive the support it should have according to Colorado Party tradition. The postulates of social justice should be defended in practice, as Stroessner's government does, and not by merely preaching about it. One defends these postulates, for example, if one struggles to prevent the exploitation of the working class by the greedy employers."

Ruben Stanley [deputy chairman of the Colorado Party deputies bloc]: "I fully agree with Seifart's comments on the obvious foreign currency evasion on which the Government Board has already stated its position. We all agree that if anyone is found guilty, he should be severely punished and by no means can it be accepted that justice not act fully.

"Neither do we want this to become a war between the Trojans and the Greeks. Justice must be as fair as possible with regard to this problem, because the participation of some fellow partisans in this evasion has had negative effects and has badly stained the prestige of our party. We want to make it quite clear that we do not agree with any statements contrary to this stance.

"I think that Seifart's other comments were personal. Regarding what he said about the 'La Voz del Coloradismo' radio program, it is a program authorized by the Government Board, and there are resolutions in this regard.

"Regarding his statement referring to dialogue, I personally think that a broad and clear dialogue should exist wherever a democracy exists. We have never shied away from a dialogue with our political adversaries, bearing in mind that this dialogue should be carried out between equals and with legally established political forces, but in a broad manner within that legal framework."

Fernando Vera (Revolutionary Febrerista Party President]: Dr Seifart's remarks seem very apt, because they reflect self-criticism of what the progovernment party is and does. His comments regarding the abuse of authority, the acts of arrogance, and the indiscriminate use of force that damage the prestige and the image of his party, the armed forces, and the police were quite appropriate. Putting this in my own words, I would say that 'heavihanded' is the best word to describe the dictatorial regime under which the country lives. And this is what Dr Seifart was referring to.

"He also mentioned the regime's corruption, the diversion of foreign exchange from the Central Bank, and then suggested that the question should be taken to court, disregarding the consequences.

"I also found relevant the point of self-criticism he raised regarding the "Voz del Coloradismo" radio program with its offensive and rambling utterances to sow hatred among Paraguayans. This means that the radio program does not reflect the viewpoints of the progovernment party.

"His reference to personalism also was significant. I interpreted this as a reference to the personality cult that the Colorado Party and official circles practice with regard to General Stroessner.

"In sum, I believe that the speech Deputy Seifart made can be understood as the expression of the moral strength that still exists in the leadership of the Colorado Party."

Alejandro Stumpfs [Colorado Popular Movement, MOPOCO, leader]: "I believe that Seifart's speech was a favorable reaction of the party's government junta in the middle of the --politically speaking--critical situation we are experiencing. He indicated precisely the road the MOPOCO believes should lead to the country's democratization."

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CSO: 3348/476

COLORADO PARTY NOTES APPEAL FOR RECONCILIATION

PY132108 Asuncion EL DIARIO in Spanish 13 Mar 86 p 8

[Text] During its session yesterday, the Colorado Party [National Republican Association] Government Board acknowledged a note sent by the "Group of 34." It also decided to create a commission to analyze the scope of the "Voice of the Colorado Party" radio program.

The Colorado Party leadership's meeting was held behind closed doors and, according to what was leaked, a somewhat heated debate took place among some of its members.

According to Colorado Party Chairman Juan Ramon Chaves at the end of the session, the note sent by the group of Colorado Party members, known as the "Group of 34," was well received by the ANR authorities. The note proposes that the Government Board seek an adequate mechanism aimed at "reconciling the Colorado family" on the occasion of the party's centennial, next year. A special commission in charge of studying the ways of working with the group was also established.

Another noteworthy issue discussed by the Government Board members were the charges made by Deputy Angel Roberto Seifart regarding "the voice of the Colorado Party," the Colorado Party's radio mouthpiece, which he termed as "erroneous deviation." These charges were made during a ceremony at Loma Grande.

Seifart, who is also a member of the Government Board, brought this issue up with his fellow partisans. Seifart noted that this radio program even lashes out against members of the Colorado leadership.

Alejandro Caceres Almada, director of the radio program refuted Seifart's charges. According to Salvador Paredes, at the end of the meeting, Caceres Almada said Seifart's charges were "intrigues."

According to Paredes, Caceres Almada also requested the creation of a commission to investigate whether "the Voice of the Colorado Party" is fulfilling its duty as mouthpiece of the party and whether it actually offended any member of the Government Board. Paredes disclosed that Almada said that "he would go home" if that was the case.

Juan Ramon Chaves was appointed to set up the commission.

Paredes asserted that only the following three people referred to the subject: Angel Roberto Seifart, Hiran Delgado Von Leppel, and Alejandro Caceres Almada. He said that at one point of the meeting, Delegado Von Leppel criticized Seifart's statements on the lifetime presidency and Seifart then explained what he had said.

At the end of the meeting, most of the Government Board members agreed that the note sent by the "Group of 34" was written in a respectable tone and that it had been well-received.

When Caceres Almada was asked his opinion of Seifart's statements, he said that he had not been present at the Loma Grande ceremony. He added: "I only listen to you and read the newspapers, I believe in the media. I have already said all I have to say at the Government Board meeting."

Previously Caceres Almada had told another journalist: "I do not make statements for opposition radio stations."

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MAC LEADER ON COLORADO PARTY FRAGMENTATION

PY250258 Asuncion LA TARDE in Spanish 24 Mar 86 p 10

["Text" of interview granted by Colorado Authenticity Movement Vice President Mario Milciades Melgarejo to LA TARDE--date not given]

[Text] [LA TARDE] To satisfy request made by LA TARDE readers, could you elaborate on previous statements you made to newspapers regarding the internal affairs of the Colorado Party, particularly regarding its groups and sectors?

[Melgarejo] There are two large historical camps, clearly antagonistic, within the Colorado Party. One, the nationalist camp of the Caballerism-Abstensionism-Guionism, which in the party's early days, was led by Bernardino Caballero, Jose Segundo Decoud, Candido Bareiro, Juan B. Gill, Enrique Solano Lopez, Patricio Escobar, and others; and the other, the neo-liberal or liberal-leaning camp of the Egusquicism-Participationism-Democraticism, which was historically led by Egusquiza, Cesar Gondra, Fancundo Insfran, Emilio Aceval, and others. The Caballerism was historically identified with abstensionism during the period of hegemony by the liberal party; and since 1945, has been identified with Gonzalism or Natalicism or Guionism. In turn and at about the same periods, the Egusquicism became participationism, first, and democraticism later, continuing to the present.

[LA TARDE] Could you tell us which groups belong to the two historical camps?

[Melgarejo] Focusing on the party's history beginning in 1945, we find, as branches of the nationalist camp, the Natalicist-Guion Group, the Molas-Lopist Guion Group, and the Colorado Authenticity Movement [MAC]; and, as members of the other camp, the Chavist Democratic Group, the Zacariasist Democratic Group, the Estigarribiaist Democratic Group, the Epifanioist Democratic Group, and the Gorostiagaist Democratic Group.

[LA TARDE] And those you refer to as syncretistic or pragmatic groups?

[Melgarejo] Since 1881, when the antagonism between nationalist and liberal-leaning camps began, many attempts have been made to resolve the profound devision within the Colorado Party. All the attempts either failed or had a short-live success. In the past decades, these groups that I will mention have made attempts to bring about intraparty unity: Verticalism, from which the Colorado Popular Movement developed; Third Position Group or Thirdist, which was organized and originally led by Don Tomas Romero Pereira and Edgar L. Ynsfran, and which has now been rechristened Group of the 34; and lastly, I believe that the Militancy Group led by Mario Abdo Benitez and/or Adan Godoy Gimenez is evolving toward a syncretistic position regarding the central question of nationalism versus neo-liberalism, which can now be redefined as a question of nationalism versus neo-liberalism-neo-Marxism.

[LA TARDE] What groups currently comprise the Colorado Party?

[Melgarejo] The Chavist Democratic Group, which has been leading the party since 1949 in an increasingly hegemonic and sectarian manner; the Popular Colorado Movement (MOPOCO) and Coloradism in Exile and Resistance (ANRER), which originated in Venticalism and Epifanism, respectively, and which are both in disagreement with the Executive Board of the National Republican Association (Colorado Party) and the government; the Third Position Group, now known as Group of the 34, created and led by some former Guionists and former Democrats with the approval, protection, and at the service of the Chavist Democratic hegemony; the Colorado Authenticity Movement, a nationalist and unionist group that questions the hegemony of the Chavist Democratic Group and favors a third and final reunification of the Colorados; and the Militancy Group that is in the process of formation.

[LA TARDE] In your view, what happened to Colorado Unity, which was sealed on 27 October 1955?

[Melgarejo] It was demeaned, stolen, and mocked by the sectarian minority of the Chavist Democrats. Because of that second encounter, authentic Coloradism learned the true dimension of the central problem that impedes harmony within the Colorado Party, and impedes the full implementation of its true government program. In fact, immediately after 27 October 1955, the Third Position emerged. Its members launched repressive operations against Verticalists, Guions, and Epifanists, under the pretext of defending the "rocklike unity" sealed on 27 October 1955...Skipping to recount what happened later...and continues to happen...it can be expected that the Chavist Democrats and their docile allies from the Third Position (now Group of the 34) will once again try to use a new version of that "rocklike unity" as a pretext to segregate the other internal groups of the Colorado Party.

[LA TARDE] In your view, what are the prospects for unity in the Colorado Party?

[Melgarejo] Because it is said that "everything has its time and its form," and because, as I have said, the conditions now exist for a democratic opening both within the party and among the parties, there are prospects. The Colorados are now experiencing a period of gradual weakening of the Chavist Democratic hegemony, which since 1949 has attempted to hinder and destroy the Colorado Nationalist Revolution, which began in 1947, in order to replace it with a neo-liberal counterrevolution.

Once the Chavist Democratic hegemony, which constitutes a real bottleneck in the process of Colorado and national unity, is ended, the various groups and sectors of Coloradism will be able to fully resume their participation in the exchange of ideas and positions within the party. This will inexorably lead to the Third and Definitive Encounter of Coloradism, which will be the expression of a pluralist democratic unity, without exclusions or discrimination. That will be a unity that is practiced and understood as an agreement on ideology and program; a unity born out of respect and political consideration for the various groups and sectors.

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CSO: 3348/474

'VOICE OF COLORADO' ISSUES WARNING TO EL DIARIO

PY232355 Asuncion Domestic Service in Spanish 2330 GMT 22 Mar 86

[From the "Voice of the Colorado Party" program]

[Text] Today we did not intend to waste time, word, paper, or ink by referring to an anniversary. However, God's will be done. The gay of Yegros Street [Aldo Zucolillo, owner of the closed newspaper ABC COLOR] has spoken on opposition radio broadcasts. The editorial of the evening newspaper ULTIMA HORA, a cheap copycat of the closed subversive newspaper ABC, "the mass," [celebrated on 22 March in the Asuncion cathedral] the "little demonstration," the slogans: Out with the tyrant, with the dictatorship, etc., etc., force us to recall that today, 24 March, is another anniversary of the healthy removal of the malign tumor that was infecting the nation's organic body with the infectious and contagious virus of subversion and communism.

Today is not a painful date for journalism, as the cheap copycat newspaper of the ungrateful son of Colonel Pablo Rojas states. It is also not a day for reflecting about something we conquered a long time ago: democracy and freedom of the press, as also affirmed by the evening newspaper ULTIMA HORA, a branch of the lousy newspaper of the naked fisherman of the Ana Cua zone in the Parana River [Aldo Zucolillo].

Sincerely, it is a pity that some leftist scribes should have to involve men like the ungrateful son of Colonel Pablo Rojas, owner of the cheap copycat newspaper of the lousy subversive newspaper, which according to Febrerista Revolutionary Party [PRF] member journalist Humberto Perez Caceres, was a Communist rats nest.

The truth is that 3 years ago today, the government made this healthy decision, and the Paraguayan people applauded, continues applauding, and will continue to applaud the suffocation of that center of anarchy, chaos, violence, subversion, and homosexuality.

Now, since the bad never seem to die, we are nevertheless observing a reappearance of that tumor. We are referring to the ABCization of the newspaper EL DIARIO NOTICIAS whose owner we consider a friend of the government of the Colorado Party, and mainly a friend of the president, General Alfredo Stroessner.

However, the owner of this newspaper is being deceived. He is being cheated just like the cheap copycat newspaper director was. [sentence as heard] Since we are friends, we are warning the owner of EL DIARIO NOTICIAS that if his newspaper continues like this, it will be on the way to becoming a new branch of the former mouthpiece of subversion [ABC].

The first fatal mistake was the hiring of journalist Luis Alberto Mauro, who for about 700,000 guaranies monthly, is fast ABCing the EL DIARIO NOTICIAS newspaper. Mauro, who is Zuccolillo's lieutenant, is a clear representative of the leftist and subversive journalism. Mauro is of a communist leaning as well as a mortal enemy of the government. From ABC he always involved President Stroessner's administration in state fraud cases, accused it of exploiting the people and made other serious charges. From ABC, Mauro had severely prohibited the publishing of news in favor of the government, just as he is also prohibiting it now in the EL DIARIO NOTICIAS.

But let us look at some other outrages committed by Mauro. For example, on his first day at the EL DIARIO NOTICIAS he allowed the publishing of an editorial entitled: One tyrant less, written by the renegade A.V.P. [reporter Alberto Vargas Pena], who we know has a violent hatred of the Colorado Party. A.V.P. has disrespectfully compared President Stroessner's administration, a constitutional one, with the tyrannies led by Duvalier and Ferdinand Marcos.

Further evidence of Mauro's ABC influence on EL DIARIO NOTICIAS: He changed the first page layout, and made it similar to the one used by ABC. He also dismissed chief editor Augusto Ocampos Caballero, a nationalist, loyal individual who would never follow a subversive line. Mauro named in his place a protege: his foreman Christian Torres, a good journalist but badly educated, trained, and managed by Mauro, whom Christian obeys with closed eyes just as he did at that lousy newspaper.

Mauro also changed the general layout of the EL DIARIO NOTICIAS. Anyone reading a number of the lousy newspapers, after disinfecting his hands of course, will realize that EL DIARIO NOTICIAS copies ABC, including the editorial, political, and local news pages among others.

As if this were not enough, and following the ABCization process, Mauro convinced the owner of EL DIARIO NOTICIAS to rehire a Uruguayan. He was not able to bring as he wished former Tupamaro Orlando, but he brought (Noto), who worked at ABC from its beginnings to its end. (Noto) is a coordinator who is earning approximately 1,100,000 guaranies monthly.

Mauro's final strike is to eventually hire former ABC reporters for the EL DIARIO NOTICIAS: Silvero, Britez, (Boveda), Rodriguez, and others. Do not be surprised if in a few days time you see a worthless article written by the deserter Alcibiades [Alcibiades Gonzalez del Valle]. The hiring of the other journalists is at a standstill because Mauro requested 300,000 guaranies salary, while the current reporters of EL DIARIO NOTICIAS are earning 70,000 guaranies.

This means that the Bolshevik team of the lousy subversive newspaper is slowly being formed again. This is being done behind men with good faith such as the ungrateful son of Colonel Pablo Rojas, and the owner of EL DIARIO NOTICIAS, who are evidently not aware of the fact that they are being stupidly deceived.

However, we repeat: We as friends are warning them in time, particularly the owner of EL DIARIO NOTICIAS, who we know boasts of his friendship with our leader President Stroessner. We are warning them before it is late because we think that a friend should not pay salaries, feed, and fatten his friend's enemy.

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INFORMATION SECRETARY SCORES REPORTERS' STATEMENTS

PY131656 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 11 Mar 86

[Statement granted by Anibal Fernandez, information under secretary of the Presidency, at Government House in Asuncion on 11 March--video showing Anibal Fernandez speaking]

[Text] The public and I have been sadly surprised, or rather, we are faced with the sad, deplorable, and condemnable example of the really untenable and unacceptable conduct of certain Paraguayan journalists who have taken advantage of their trip abroad to insult the country, those who govern it, and its democratic institutions.

All they have said abroad could have been said here. A real Paraguayan, a good Paraguayan, would never speak badly beyond our borders about his country, its government, or its institutions. We solve our problems here within our borders, and those who speak of a deterioration of freedom and of the lack of freedom of the press and of expression are insolently lying.

It is my belief that on their return they will have to render account, not only to the Paraguayan public but also to the appropriate court, which will have to ask them to account for their actions. What they have done is condemnable, reproachable, and I am convinced that all good people will reject it.

As information under secretary, I categorically reject the comments of Mr Eduardo [his name is Ernesto] Garcia, Mr Cazenave, Mr Rubin, and of all of those who accompanied them.

They had no right to go to Europe and say what they said. If those are their thoughts, then they should have written them down and stated them here, and I am sure that no one would have censored them, because there is no censorship. There is freedom of the press in Paraguay, and they know this perfectly well.

If they want to play politics which does not fit them very well, then they should give up their profession as journalists. Journalism is a noble task, a respectable task, adn those who abuse it smear the freedom of the press, at the same time abusing the welcome they have been given in foreign countries. Well, there are a lot of epithets that fit them, but this is not the time for me to repeat them.

/9274
CSO: 3348/479

JOURNALISTS RETURN FROM FRG, DEFEND ATTITUDE

PY131702 Asuncion HOY in Spanish 13 Mar 86 p 8

[Excerpt] After touring the FRG and participating in meetings to discuss the development, progress, or decline of the freedom of press in Paraguay, the five Paraguayan journalists invited by the Friedrich Naumenn foundation have returned to the country.

Alcibiades Golzales Delvalle, formerly a columnist of the closed ABC COLOR newspaper; Fernando Cazenave, chief editor of the evening newspaper ULTIMA HORA; Humberto Rubin, director of Radio Nanduti; Ildefonso Silvero, of the Catholic weekly SENDERO; and Ernesto Garcia, former director of a TV newscast, yesterday at 0930 arrived at the President Stroessner Airport, where police and airport security personnel at one point started asking for I.D. papers from anyone going to the airport.

The members of the Paraguayan group stated that everything they said in the FRG was the truth and a repetition of the things they often say in Paraguay.

/9599
CSO: 3348/477

PRIVATE SECTOR WARNS DEBT MAY EXHAUST RESERVES

PY191554 Asuncion HOY in Spanish 18 Mar 86 p 11

[Excerpts] In a communique released on 17 March, the Finance Ministry stated that our foreign debt stands at a reasonable level from the viewpoint of the total contracted debt, the terms, and the interest. The ministry pointed out that it is not necessary to suggest or hint that the debt, which stood at $1,732,600,000 in June 1985, should be renegotiated.

According to the ECLA report, the Paraguayan foreign debt stood at $1.85 billion on 31 December 1985. Thus, the per capita foreign debt would be $560. This figure is the result of dividing $1.85 billion by 3,300,000 which was our country's estimated population in December 1985, based on the projections of the 1983 census and on an annual growth rate of 2.5 percent.

Private sector specialists have pointed out that they are not concerned about the overall debt and its structure, which can be considered as based on prudent terms, but about the fact that the amount needed to service the debt is very high in comparison with our export revenues. Thus, if our country meets its annual overdue obligations, it will soon run out of hard currency. According to the World Bank, our country must pay $270 million this year. This figure amounts to 86 percent of our export revenues in 1985, based on data supplied by the General Customs Directorate.

/9274
CSO: 3348/479

INTERIOR MINISTRY RESPONDS TO PRESS REPORTS

PY220126 Asuncion Cerro Cora Sistema Nacional Television in Spanish 2300 GMT 21 Mar 86

["Text]" of communique released by the Press Secretariat of the Interior Ministry in Asuncion on 21 March--read by announcer]

[Text] Regarding the reports published today in the newspapers HOY and ULTIMA HORA allegedly quoting the Interior Ministry, the Press Secretariat of this ministry wishes to clarify that:

1. The activities of political parties established, registered and recognized in accordance with Articles 117 and 121 of the national Constitution and Chapter 3 of Law No 886 of the electoral code, are fully guaranteed.

2. In response to a written request received from Dr Fernando Vera as president of the Revolutionary Febrerista Party, and not on behalf of the National Accord as the press erroneously reported, the Interior Minister received Dr Vera at 1100 on 20 March.

3. On that occasion Dr Vera indicated that his request for a meeting had been prompted by his desire to find out about the status of the persons arrested in connection with the events that took place in Alfonso Loma in the district of Caraguatay. Since by the day of the meeting the reasons that prompted his request were no longer valid [the detainees have been released], Dr Vera thanked the minister for receiving him and they discussed other issues.

4. The interior minister reaffirmed on that occasion and is doing so once again now, that all legally established and recognized parties as well as all legally organized associations are guaranteed the right to hold meetings.

5. The Interior Ministry denies that irregular group or splinters from legal political parties or political organizations that operate outside the law, will be authorized to hold public rallies. It is the Interior Ministry's task to ensure the normal development of legal political activities. In keeping with this duty the ministry guarantees the right to hold meetings while preserving the rights of third parties and public order as provided for in Article 76 of the national Constitution. Those who do not comply with the law cannot claim for themselves the rights reserved to political parties. No rallies or provocations capable of disrupting the peaceful coexistence of the inhabitants of the nation will be allowed.

/9274
CSO: 3348/478

PLRA CHAIRMAN LASHES OUT AT POLICE AGGRESSION

PY190158 Asuncion ULTIMA HORA in Spanish 17 Mar 86 p 10

[Text] Dr Miguel A. Martinez Yaryes, chairman of the Authentic Radical Liberal Party [PLRA], has said, referring to the events that occurred at the official presentation of Miguel A. Saguier as candidate for the chairmanship of the PLRA: "What occurred yesterday in Alfonso Loma was a well-planned aggression provoked by the official responsible for the departmental government of La Cordillera Department, which is headed by Sergio E. Dacak, who was obviously obeying the orders of Minister Montanaro."

Martinez Yaryes added: "This incident shows the duplicity and hypocrisy of the government authorities, because a few hours before Foreign Minister Carlos Augusto Saldivar said that there is democracy in Paraguay. But yesterday morning, they showed how this democracy was being put into action."

Commenting further on the events that occurred in La Cordillera Department, jurisdiction of Caraguatay, Dr Martinez Yaryes said: "The most important lesson to be learned from this attitude of the police forces is that the fear of what is going to happen is compelling them to make this kind of aggression and provocation, which are typical of the last death throws of a totalitarian regime which is aware that a democratic current is invading the country, and which, through these deployments of force, tries to hold on to the arbitrary and prepotent abuse of power which has subdued the Paraguayan people for all these years."

/9274
CSO: 3348/478

ARRESTED PLRA MEMBERS EXAMINED, RELEASED

PY181824 Asuncion EL DIARIO in Spanish 18 Mar 86 p 8

[Excerpts] The Interior Ministry representative in Cordillera Department SErgio Enrique Dacak has justified the measures adopted against the Authentic Radical Liberal Party [PLRA] members during their meeting in Palma Loma, by saying that they were not authorized to hold the meeting, and "moreover, they are completely illegal" he said. Dacak also denied any charges of aggression. All the people arrested during the incident were released after being examined by a doctor according to Dacak.

The Interior Ministry representative himself reported last night that all these arrested were released, including Miguel Abdon Saguier. He added that all of them were examined by doctors before being released, in order to provide irrefutable proof that they had not been mistreated or hit as it had been reported the day before.

Regarding this matter, he said that the medical examinations were done, in presence of a judge, by three doctors, one belonging to the Colorado Party, another to the Febrerista Revolutionary Party, and the other to the Liberal Party, so as to avoid any suspicions.

/9274
CSO: 3348/478

2,179 PEOPLE SIGN LETTER TO END EXILE

PY192056 Asuncion ULTIMA HORA in Spanish 17 Mar 86 p 9

["Open Letter" with 2,179 signatures, published as paid advertisement]

[Excerpt] We, the undersigned, citizens of the Republic of Paraguay, referring to our Constitution which confirms the democratic regime (Article 1); the respect for human rights (Article 9); the free development of the individual (Article 48); the protection of one's life, physical integrity, liberty, security, property, honor, and reputation by the state (Article 50; and the right to live in the republic (Article 56), and exercising our right to petition the authorities, which is granted by Article 76 of our Constitution, express our deep interest that these principles, as well as those contained in the preamble of our Constitution, which proclaims the duty to respect human rights, to preserve freedom, equality and justice, should be a guarantee for our countrymen Domingo Laino, Luis Alfonso Resck, and Augusto Roa Bastos.

Based on these principles, we reject exile--an unfair imposition which prevents the people who legitimately make up the nation from exercising their rights and deprives them of guarantees--which cannot be justified by laws or decrees of any type. When such laws are imposed, even though they are null and void, it is to the detriment and annulment of the laws of our country which are based on the Constitution.

We believe it is the duty of the authorities to respect the constitutional principles and to put an end to this situation which prevents our countrymen from returning. We are inspired by the legitimate right of citizens to insist on respect for the Constitution in order to preserve our position as free men which should be the hallmark of a republican and democratic government system.

For all these reasons, and based on the eternal ideals of justice, liberty, and equality, we support all measures necessary to put an end to exile.

/9274
CSO: 3348/478

BRIEFS

BRITISH AGRICULTURE MINISTER ARRIVES--British Minister of Agriculture, Fisheries and Food Peggy Fanner [name, title as published] arrived in our country yesterday. Today, she will hold talks with government officials and members of the private sector to try to increase Paraguayan exports to the United Kingdom. [Text] [Asuncion EL DIARIO in Spanish 6 Mar 86 p 1 PY] /9274

CONSTRUCTION WORKERS' LEADERS SET FREE--SINATRAC (National Trade Union of Construction Workers) Assistant Secretary General Gregorio Ojeda and Social Security and Operations Secretary Ildefonso Santander, who were arrested on 24 March by policemen from the 96th police precinct of Nu Guazu, a district of Luque, were set free yesterday noon. SINATRACT is a member of the militant Interunion Workers Movement [MIT]. [Excerpts] [Asuncion HOY in Spanish 26 Mar 86 p 14 PY] /9274

POLICE BAN PUL HEADQUARTERS LECTURE--An annoying situation occurred last night at the PUL [Proponents of Liberal Unity] headquarters when the police banned a lecture, sponsored by the organization, that was to be given by Doctor Benjamin Vargas Pena. Doctor Hugo Galli Riart strongly recriminated the presence of police personnel at the PUL headquarters. Once again a police operation stopped a meeting at the PUL headquarters. Sponsored by the PUL, Dr Benjamin Vargas Pena was to have given a lecture there, but it had to be cancelled when police agents from the First Police District showed up at the PUL headquarters saying that police permission had not been given. [Excerpt] [Asuncion ULTIMA HORA in Spanish 25 Mar 86 p 10 PY] /9274

CSO: 3348/478 END

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15 APRIL 1986

Latin America Report

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BARBADOS HOPES FOR TRADE TALKS WITH TRINIDAD-TOBAGO

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 86 p 16

[Text]

BRIDGETOWN, March 20, Cana — BARBADOS Minister of Trade and Industry Louis Tull says he hopes to meet with his Trinidad and Tobago counterpart, Wendell Mottley, to discuss trading problems between the two Caribbean Community (Caricom) member countries.

The diclosure followed charges and counter-charges about protectionist measures slowing down Bridgetown's and Port-of-Spain's imports.

Tull, speaking in the House of Assembly (Lower House of Parliament) yesterday on the Government's 1986-87 Estimates of Revenue and Expenditure, said he hoped to meet the Trinidad Minister in two weeks.

He said last year was a very difficult one for industry, with regional and international factors having a serious effect on the local economy.

"As far as the Trinidad market is concerned, there has been some easing of the severe restrictions with regard to Caricom trade," he said.

Changing Rates

"We have been taking certain measures and the result is that at the end of 1985, there was a greater flow of goods."

A greater number of licences were granted by Trinidad for imports and there has also been a barely perceptible change in respect to the harmonisation of licences and EC-O's (import applications for which foreign exchange is sought).

At the same time, Tull said, this did not mean all was fine; since there were still some difficulties in returning trade between the two countries to the position it once held.

The Minister also noted trading problems with Guyana and Jamaica. He said that Barbados' trading difficulties with Jamaica were a direct result of the introduction of rapidly changing exchange rates and a dual exchange rate which gave rise to a lack of confidence by local manufacturers in that market.

"Recently, however, the Jamaica Government has been taking new initiatives and there has been some change in the trading situation. Local manufacturers are once again targeting their goods at this market," he said.

Tull said Guyana's inability to pay for goods from Barbados was a direct result of the drying up of its foreign exchange reserves.

Tull said that towards the end of 1985 there was an improvement in the viability and fortunes of a number of Barbadian industries.

One good sign, the Minister said, is that the gloom over the electronics industry was lifting; and Intel, which indicated it would have had to close one if its offshore plants in Barbados or the Philippines, was now doing much better.

"The forecast for the electronics industry in the medium term looks good," Tull told Parliament.

Meaningful Approach

In Port-of-Spain, Minister Mottley, said he had received a number of complaints from local manufacturers about difficult access to the Barbados market for their products.

He said the complaints were made during Prime Minister George Chambers's tour of export-related companies.

Mottley said that a meaningful approach would be made by Trinidad and Tobago to improve access to the market.

"We have received extremely strong complaints about refusal to allow products from Trinidad into the Barbados market," said Mottley, either outright refusals or through mechanisms being employed in Barbados which have the effect of shutting out Trinidad products and some of these complaints go back, they say, to early in 1985."

He added: "I am not keen on getting involved in tit for tat with any Caricom (Caribbean Community) country and I am trying to preserve that."

/9317
CSO: 3298/381

REACTION TO U.S. PRESENCE OFF LIBYAN WATERS

UCR Deputy Criticizes U.S.

PY270228 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0155 GMT 27 Mar 86

[Text] Buenos Aires, 26 Mar (NA)--Radical Civic Union [UCR] leader Federico Storani, chairman of the Foreign Affairs Committee of the Chamber of Deputies, today criticized the U.S. presence in Libyan waters by stating that "Argentina, like Libya, also demands sovereignty over a 200-mile zone." He warned that "to stage military maneuvers in this zone is a provocation."

Storani added that "regardless of the political nature of the conflict, the Libyan demand for sovereignty over the 200-mile zone is the same as our own demand, based on the last Law of the Sea Treaty."

He said that "to stage military maneuvers in Libyan territorial waters is a provocation."

Storani said that "the United States must stop going into the Gulf of Sidra because this may widen the conflict in the Mediterranean area, where many bases housing large quantities of nuclear weapons are located."

As for the future evolution of the conflict, Storani said that "the response of the United States should be to avoid anything that may prolong the conflict," but he personally discarded the possibility that the episode might escalate into a worldwide conflagration.

Storani further said: "My opinion is that the conflict is closed, but one should notice that once the military machine starts, a situation that is hard to control can develop."

Lastly, Storani said that "the United States has wanted to give a lesson by demonstrating its great deterrent power." He added that "this is not, however, a method indicated by international law."

Deputy Defends Libyan Position

PY271448 Buenos Aires TELAM in Spanish 0224 GMT 27 Mar 86

[Text] Buenos Aires, 26 Mar (TELAM)--Deputy Miguel Montserrat of the Intransigent Party [PI] this afternoon condemned the armed U.S. transgression of Libyan jurisdictional waters, and he requested the Argentine Government to take a firm position in the face of this imperialist excess by demanding that the U.S. Government cease its aggression.

Montserrat criticized U.S. arrogance which has now led it to commit the criminal act of bombing Libyan territory, violating international law, and once again threatening humanity with the serious danger of a nuclear war.

In a communique, the deputy upheld Libya's right to defend the sovereignty of its 200 miles of territorial waters and recalled that this principle is also maintained by Argentina and the rest of the Latin American countries.

PJ Expresses Solidarity

PY270112 Buenos Aires TELAM in Spanish 1952 GMT 26 Mar 86

[Text] Buenos Aires, 26 Mar (TELAM)--Senator Vicente Leonidas Saadi, the first vice president of the Justicialist Party National Council [PJ], this afternoon expressed the PJ's solidarity with Libya by labeling the U.S. attack as illegitimate aggression.

Saadi this afternoon went to the Libyan Embassy in Buenos Aires and upon leaving, explained that his visit was in answer to the solidarity shown by Libya with Argentina during the Malvinas war with Great Britain.

Saadi said that after the clashes in the last few days between Libya and the United States in the Mediterranean, the Argentine Government's deafness regarding this conflict demands our attention because it has not yet made a statement on this issue. Saadi added: We are either for liberation, against imperialism, and colonialism, and for the self-determination of peoples, or we resign ourselves to slavery.

Saadi also said that the PJ in addition to verbally expressing solidarity with Libya, will also publicly release a written declaration in the next few days.

Saadi talked in the Libyan Embassy with the embassy's cultural secretary, Adelnabi Sadik. Saadi was accompanied by Senator Alberto Rodriguez Saa and adviser Julio Mera Figueroa.

As he ended the meeting with Saadi, Sadik pointed out Libya's will to continue fighting the aggression delivered by the United States through its Sixth Fleet. He said that Libya is fighting for a just cause, which is the recovery of what belongs to it, and this is why it will proceed.

He added that all those who know the truth of the situation in Libya are supporting us, and all those who are under U.S. domination receive information from U.S. agencies and publish it to show that they are in favor of the United States.

Asked what may happen if the confrontation continues, Sadik said that given the difference between a small country like Libya and a major power like the United States, his country's situation was very delicate.

Argentine Communists Condemn U.S.

PY261640 Buenos Aires DYN in Spanish 1550 GMT 26 Mar 86

[Text] Buenos Aires, 26 Mar (DYN)--The Argentine Communist Party [PCA] Central Committee has condemned "the U.S. war-mongering provocation against Libya" and urged the Argentine Government to "actively participate in stopping the aggressive madness of Yankee imperialism."

In a communique signed by Secretary General Achos Fava, the PCA stated that "once again the United States wants to lead mankind into a holocaust." It added that the U.S. Administration "has created a new focus of war which, given the current level of development of the arsenal, can blow up the planet."

The Communists added: "All our people must be mobilized, and, first of all, we demand a prompt statement from the Argentine Government which, as a signatory to the 'call of the six countries for peace and disarmament' and as a member of the nonaligned countries, must actively participate in stopping the aggressive madness of Yankee imperialism."

Peace Council Condemnation

PY 280210 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2205 GMT 27 Mar 86

[Text] The Argentine Peace Council has condemned "the repeatedly intimidatory presence of the U.S. Sixth Fleet in waters of the Gulf of Sidra," as well as U.S. participation "in moving Honduran troops to the border with Nicaragua." In the communique released this afternoon, the organization affirms that both cases "refer to the demented manifestation of the global policy of the Reagan government which, by systematically violating essential norms of international coexistence, pushes the world to the brink of a nuclear holocaust."

/9365
CSO: 3348/482

ARGENTINA

UCR NATIONAL COMMITTEE, COORDINATING BOARD STRATEGIES

Internal Debate Heats Up

Buenos Aires EL PERIODISTA in Spanish 14-20 Feb 86 p 5

[Article by Luis Sanchez]

[Text] The Radical Party has entered a period of open internal debate. President Raul Alfonsin acknowledged as much on the night of Tuesday the 11th when he spoke with the officers of the National Committee at Olivos. He realizes that a "mobilized party" that seeks to regain the "political initiative" cannot allow doubts and hesitations about or strong, direct challenges to administration policy to exist in its midst. The ruling party is currently characterized by all three.

Alfonsin also senses a feeling that is spreading in the UCR [Radical Civic Union]: "It's fine to defend the anti-inflation side of the Austral Plan," a lawmaker explained to EL PERIODISTA, "but the handling of issues such as the privatizations, growth, the foreign debt or relations with the IMF would seem to be leading to a dead end." In the wake of the opposition movements in January and the call for a National Unity Congress by the CGT [General Confederation of Labor], the UCR is faced with another internal debate: how to shatter a potential "opposition front," which could eventually isolate the ruling party, with its "strategy of confrontation." The answer seems to be a combination of "the carrot and the stick," a hard line and dialogue.

The party's top echelon spent all of Tuesday the 11th talking these two issues over. On the first issue, President Alfonsin called in Minister Juan Vital Sourrouille, who explained the economic situation in detail (it is critical) at Olivos, not at the headquarters of the National Committee, lest he appear to be "giving an account of himself before the party."

The president gave his own opinion on the second issue at Olivos. The party will not attend the congress that the CGT has called but, at the same time, will not close off the avenues of dialogue with the labor federation; the UCR will reply in a public document to each of the CGT's 26 points and will meet with Saul Ubaldini to discuss not the congress but the revamping of the Economic and Social Conference with a union presence.

The dissent within the Radical Party is still muted. Some leaders have remained silent for a while so that in due time they could propose alternatives to official policy. The National Committee of Radical Youth, which is dominated by the National Coordinating Board and represented by Carlos Raimundi from Buenos Aires, is calling for an "internal debate" and urging the party not to regard the announced privatizations or the agreements with the IMF as "accomplished facts." The young people who met at Villa Carlos Paz on 14 and 15 February have noted that the Sourrouille-Caputo duo has already shifted to pro-imperialist stances (see next article). The Radical governors (including Sergio Montiel, Ricardo Barrios Arrechea, Felipe Llaver and Eduardo Angeloz) have been holding back from openly opposing the federal plan to share revenues with the provinces. They are weighed down by the expectation of a recession and "the lack of realistic policies for growth," which they had hoped would come after the second phase of the Austral Plan was announced.

"In certain regions the people have reached their limit and are starting to feel the effect of the wage decline," one of the members of the Radical Governing Board cautioned worriedly, calling at the same time for a UCR "mobilization" to "clarify and correct." Nevertheless, other leaders such as Cesar Jaroslavsky feel that "we are going to begin a debate within the party, but I don't think that there are going to be major ideological disagreements; above all, there is a need for information and arguments about the reasons for certain government moves."

Alfonsin told the members of the top Radical echelon that he noticed that certain opposition political groups were trying to isolate the administration. He therefore recommended that besides needing to respond vigorously to the "opposition uproar," the UCR ought to pay attention to the differences between them. His so-called "political operators" (Enrique "Coti" Nosiglia, Facundo Suarez, who is now in the Interior Secretariat, Edison Otero and other National Committee leaders) will henceforth play a decisive role in relations with the legislature and political parties. The tactics that the party has decided to pursue vis-a-vis the CGT (confrontation and dialogue) will also be employed in the National Congress and in dealings with the opposition.

We cannot overlook, however, that other Radicals are whispering in the president's ear to suggest that he start chewing people out left and right and come to terms with the tight strictures that the Reagan administration has sought to impose on democracy in Argentina, particularly in recent times.

"Those who imagine that Alfonsin has already chosen the IMF and crackdown route do not realize that this party has changed, that it can debate issues, that it can espouse causes and that rallying cries are no longer enough for this society. Let us also admit that the situation is touchy, that we are not infallible and that we cannot keep on aggravating social tensions indefinitely," one congressman said in explaining his major dilemma: how to defend the administration, which is part of consolidating democracy, and at the same time to keep his distance from and his eye on it so that it does not wind up causing cracks in the system by losing its grassroots support.

The goings-on within the ruling party will become extraordinarily important in the weeks to come, and the debate will spill over to various spheres of the government. All of this has aroused a great many expectations, inasmuch as a new generation has made a dizzingly rapid climb to the highest levels of the administration, such as the Coordinating Board. Will pragmatism tame the spirit of criticism?

Cordoba Coordinating Board Stance

Buenos Aires EL PERIODISTA in Spanish 14-20 Feb 86 p 5

[Article by Roberto Reyna]

[Text] On Thursday of last week, just hours before President Raul Alfonsin and his economy minister, Juan Sourrouille, delivered their messages to the nation, some 200 youths finished pounding in the stakes for the 35 tents that dotted one corner of the Villa Carlos Paz municipal sports complex. There, resisting the temptations offered by San Roque Lake's placid waters, on which multicolored sails were gently swaying less than 100 meters away, they spent 4 days holding the annual seminar of the Regional Coordinating Board of Radical Youth and of Franja Morada, the dominant faction in the University Federation of Cordoba (FUC).

Franja Morada is, in fact, the student wing of the Regional Coordinating Board, which emerged less than a year ago under the leadership of attorney Carlos Vicente, the secretary of student affairs of the National University. The Regional Coordinating Board is on the left of the UCR political spectrum in Cordoba. It feels that the country's basic choice is between liberation and dependence; it questions the factions of the ruling party that "are appeasing the economic power groups and putting off the people's demands"; it criticizes the Cordoba Line and the Renewal and Change Movement alike and argues that "the traditional criteria for committee work" must be reassessed.

Given this ideological baggage, the announcements by Alfonsin and Sourrouille neither pleased nor surprised the members of the Regional Coordinating Board of Radical Youth. They had already stated in the working documents drafted several days before the seminar that as soon as the position of the Sourrouille-Caputo duo was strengthened, "so-called political realism" began to prevail, "which reduces government action to mere potentiality [posibilismo]," and they underscored the clear-cut contradiction between "saying that democracy does not bring about sweeping change because the lower-income sector is not strong enough and, at the same time, contending that grassroots struggles destabilize democracy."

In any event, the seminar's final declaration, entitled "Youth Will Not Lower Its Banners," is an explicit response to the new phase of the economic program, in that it embraces "the unflinching defense of the national patrimony against the start-up of a privatization program." It also calls for an economic recovery based on expanding the domestic market, increasing the purchasing power of the lower-income sectors and "seeking out avenues of unity in all spheres to end the outflow of our resources due to interest payments on the foreign debt."

More specifically, the Regional Coordinating Board of Radical Youth feels that the foreign debt, which is "politically and mathematically unpayable," is one of the central problems today. The other is the permanent abolition of the National Security Doctrine, with the resulting dismantling of the machinery of repression and opposition to the "legislative attempts to limit future trials" of the military personnel involved in State terrorism.

Although the seminar did not bring together as many young people as have attended other similar events that Franja Morada has organized, the leaders of the Regional Coordinating Board did not conceal their satisfaction over the presence of Julio Genesini, a member of Franja's national leadership, along with delegates from Rosario, Santiago del Estero, Santa Fe, San Juan, the Federal Capital (belonging to the faction headed by Pablo Batalla), Lomas de Zamora, Avellaneda and several cities in the interior of Cordoba Province. More importantly perhaps, the leaders of Radical Youth's capital committee, Hugo Altamirano, Radical Youth officials from the Cordoba Line (which is led by Raul Cingolani), and Provincial Congressman Miguel Ortiz from the Renewal and Change Movement also attended the Carlos Paz seminar.

The leaders of the Regional Coordinating Board are not unaware that as a result of their political stance in the Radical Party's nominating process, they are constantly running the risk of isolation, a risk made worse by the fact that its constituency consists almost exclusively of students and that Franja Morada and ORES [Radical Organization of Secondary School Students] activists are reluctant to get involved in party committee work. It was no accident that throughout last year the Regional Coordinating Board made alliance overtures to political sectors outside the Radical Party, pushing the idea of "organizing popular unity."

The contacts made at Carlos Paz with other factions of Radical Youth could enable the Regional Coordinating Board, its leaders feel, to reestablish a policy of internal alliances based on overt opposition to the privatization plan that the economic cabinet is promoting.

Carlos Vicente is of the opinion that the rank and file of the ruling party is uneasy and confused, but he has faith in the strength of a clear-cut agenda that is in keeping with the Radical Party's finest national and popular traditions.

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CGT WARNS AGAINST GOVERNMENT INTERFERENCE

PY250233 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1140 GMT 24 Mar 86

[Text] Buenos Aires, 24 Mar (NA)--The General Confederation of Labor (CGT) has warned the government that "we will not be responsible for any riots that might occur if the march of the workers' columns or the order of their demonstrations are disturbed" tomorrow during the CGT-sponsored stoppage and demonstrations. The CGT also asserted that the radical leaders "are recommending that we exercise self-restraint during the demonstrations so that they do not have to fall into the shameful, but evident temptation of repressing us."

The CGT added that "the use of tons of printed paper just to cover a few signs posted by the CGT to explain the reason for the stoppage and the presence of provocative agents who in broad daylight destroyed the CGT signs are proof of this repressive mood."

In reply to a Radical Civic Union (UCR) document describing tomorrow's stoppage as "an antidemocratic maneuver," the CGT asks whether "in order to be democratic, Bariloche style, [referring to a recent document issued by the UCR in Bariloche] it is indispensable to applaud this new governmental blunder" and whether "we must exercise self-restraint not to criticize what should be criticized."

The CGT also asks whether "we should also impose the state of siege on ourselves in order not to comply with the stoppage decreed by our organizations to publicly express the discontent of the workers or to "thank the authorities for not pointing at us with guns as occurred in the Lisandro de la Torre meat packing plant." The CGT was thus referring to remarks made on this subject by Juan Carlos Pugliese, president of the Chamber of Deputies.

The CGT added: "We reassert our firm decision to stage our mobilization peacefully, and again urge our fellow workers not to respond to provocation, and affirm that we will not be responsible for any riots that might occur if the march of the workers' columns or the order of their demonstrations are disturbed."

The CGT stressed that "what the government cannot do is to maintain the economic measures of the dictatorship, under the pretext of democratic purity, and emphasized that "similar recommendations, which are part of the imf prescription, have brought about the same consequences throughout the world."

The CGT asserted in this regard that "this is a solution based on foreign models that are not applicable to our reality and which are again offered to us after so manmy unsuccessful attempts and hopeless popular sufferings.",

The CGT pointed out that the administration "has abandoned its electoral promises and has endorsed the worldwide pattern of hunger and unemployment imposed by international usurious centers."

The CGT added that "this is the result of eight years of undermining our production apparatus, under the same economic premises, carried out by the military dictatorship and continued by the adminsitration."

The CGT asserted: "A program that goes against the concept of social peace and replaces it with a permanent social conflict, thus transforming society into a permanent confrontation of classes and intersts, cannot be the program of a democracy."

The CGT added: "We workers defend democracy with resourcefulness and courage, sovereign decisions, and profound humanitarian convictions," and concluded: "Tomorrow, thousands of Argentine workers will stage a stoppage in order to defend their democratic right to work, to freedom, and to justice everywhere in the country."

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ARGENTINA

COL SEINELDIN SAID TO BE PLOTTING ALFONSIN'S OVERTHROW

Buenos Aires EL PERIODISTA in Spanish 21-27 Feb 86 pp 2-3

[Article by Horacio Verbitsky; first paragraph is introduction]

[Text] Ruling out any threat of an institutional coup, the government maintains calm bureaucratic relations with the Armed Forces, where salaries have been boosted substantially. In the shadows, however, a fundamentalist conspiracy is making headway, with the backing of one Peronist rightwing faction and with high-level contacts in the Pentagon. The international panorama is not favorable to Colonel Seineldin's ambitions, but he is expecting social unrest and a vacuum of power by mid-1987. German Lopez' agenda for 1986.

Col Mohamed Ali Seineldin is the head of a group of officers who dream of taking over the government before the 1987 congressional and gubernatorial elections, with the backing of a rightwing Peronist faction and aided by the social chaos and power vacuum that they believe Minister Juan Sourrouille's economic policies will bring on by then.

President Raul Alfonsin's administration appointed Seineldin military attache in Panama as a way of removing him from the political scene after a lengthy dispute about his promotion to colonel. A decisive role in this regard was played by Vicente Saadi, the vice president and acting president of the Peronist Party, Peronist Senate whip and chairman of the Senate Resolutions Committee.

In Panama, Seineldin is studying the experience of the former National Guard's populist government, while back in Buenos Aires his scheme was left in the hands of one of his closest colleagues, Colonel Sierra, an active-duty intelligence officer. Sierra is handling the matter in a downtown Buenos Aires office that some of his assistants call "The Cave."

"A Fanatic Catholic"

Col Mohamed Ali Seineldin became a household name on 2 April 1982, when he commanded Task Force 40.1.10 of the Argentine Army, consisting of Company C of the 25th Infantry Regiment, which was involved in the occupation of the Malvinas.

His commander on that operation, Rear Adm Carlos Busser, says that "Seineldin is a devout Catholic," adding: "I would say an almost fanatic Catholic." As the expedition headed towards the islands amid a fierce storm, Seineldin suggested that Busser dedicate the operation to the Virgin of the Rosary, reminding him that Liniers had prayed to her before the reconquest of Buenos Aires.

"You mean you would call a military operation Virgin of the Rosary?" the rear admiral recalls having asked him.

"No, sir, but it could be called Operation Rosary," Busser says Seineldin replied.

Rear Admiral Busser talked it over with Gen Osvaldo Jorge Garcia, who approved. When he told the army infantry officer that his proposal had been accepted, as they were both hanging on to the bridge on the "San Antonio" to ride out the storm, Seineldin looked straight at him and, as Busser remembers it, said:

"Sir, you'll see that tomorrow the Virgin of the Rosary is going to calm the winds and the waves so that we have excellent weather for the landing."

This episode is illustrative not only of the things in which Colonel Seineldin believes but also of some of the things of which he is unaware. The feast of Our Lady of the Rosary was established in 1573 by Pope Gregory XIII to commemorate the battle of Lepanto 2 years before. In October 1571 the Catholic forces of John of Austria destroyed the fleet of the Ottoman empire, whose right and left wings were commanded by Mohamed and by Ali.

There is a long string of stories about Seineldin's interesting psychology. Rear Admiral Busser himself still recalls with amazement the manner in which the colonel entered Port Stanley. "I saw the vehicles moving up from the rear guard. As they approached, I noticed something odd. A man was jogging at the head of the small column. It was Lieutenant Colonel Seineldin," he recalls.

He did more than just jog into and take over the capital of the islands; he also attacked British planes with his 9-millimeter pistol. Since they were much more likely to hit him with a bomb than he was to put a bullet in one of the attacking aircraft, he gained a reputation for recklessness. Chaplain Renaudiere De Paulis, a Dominican priest who has inspired civilian and military rightwing extremist groups for decades, asserted that Seineldin had been the most courageous of the officers who fought in the Malvinas.

He had developed a reputation in the army long before. When he was a commando instructor, he held his ground when a grenade exploded very near by and continued his work in spite of being wounded. It was not until the training session was over that he went to the infirmary.

Rodolfo Peregrino Fernandez, a former Federal Police officer, has revealed some less martial aspects of Seineldin's personality. The former colleague of Gen Eduardo Albano Harguindeguy (who before serving as dictator Jorge Videla's interior minister was President Isabel Peron's chief of police) stated that

Seineldin served as a liaison between the army and the Triple A [Argentine Anticommunist Alliance] before the 1976 coup.

The American Friend

EL PERIODISTA was able to dig deeper into this story through unsuspected sources. In 1973 and 1974 a young U.S. officer was a classmate and confidant of Mohamed Ali Seineldin at the Superior War School. The American officer told his government at the time that every Wednesday just after noon, when the huge Campo De Mayo garrison emptied out for midweek leave, Captain Seineldin stayed behind to wait for some regular visitors: commissioner inspector Juan Ramon Morales and inspector Rodolfo Eduardo Almiron, the operations commanders of the AAA. They and Seineldin analyzed the week's rolls.

The Argentine and the American renewed their friendship in the 1980's when the latter returned to Argentina as a military attache. This is of political interest because Bob Olson is not just another officer; he is currently the head of the Pentagon's Latin America Desk, a decisive unit when it comes to recommending support for or opposition to a military coup in a Latin American country. Two weeks ago Seineldin left his post in Panama and traveled to the United States. Some sources say that his move had to do with the conspiracy; others that he went to Houston for some delicate surgery.

Colonel Seineldin realizes that international conditions are not conducive at the moment to the removal of a constitutional government. President Ronald Reagan's policies are aimed in exactly the opposite direction. Washington has supported the election of new civilian presidents in Honduras, Costa Rica (where civilians were already in power) and Guatemala, where Vinicio Cerezo has replaced Gen Oscar Mejia Victores. Moreover, it helped to retire Haitian dictator Jean Claude Duvalier and is not trying very hard to prevent Philippine autocrat Ferdinand Marcos from being toppled.

Nevertheless, the assessment of the people who support Col Mohamed Ali Seineldin's coup is that the picture will be changed by the power vacuum and the social unrest that they take for granted will emerge by mid-1987. Until such time, a pamphlet entitled "There Is a Soldier" continues to be distributed in military units. The lavish, four-color booklet has a silhouette of Colonel Seineldin on the cover and talks of the man who defended the West against the stateless guerrillas and risked his life for national sovereignty. "Remember him, now that they want to destroy us," it reads.

Catholicism, nationalism, anticommunism, morality and courage are the groundwork of the elementary program that Seineldin represents and that Army Chief of Staff Gen Hector Rios Erenu would do well to look into when he resumes his work after the operation on his knee bones that kept him away from all of the ceremonies prompted by the death of Defense Minister Roque Carranza and the appointment of German Lopez as his successor.

German Lopez' Agenda

Other less secretive developments will occupy the time of civilian and military authorities in March:

1. The ruling of the Armed Forces Supreme Council on the Malvinas war, which will be handed down around the middle of the month. The frequent bitter confrontations between the branches under the military government and during the war have broken out again in connection with this issue. The pages of the newspaper AMBITO FINANCIERO served as the marginal theater of operations for this dispute until a decision was made at high-level negotiations to put an end to it. There has been growing speculation in recent days that the council could give former Commanders in Chief Leopoldo Galtieri, Isaac Anaya and Basilio Lami Dozo stiffer sentences than prosecutor Canale has asked for but in exchange would be willing to go easier on the officers who followed their orders. Galtieri's defense became more complicated when Gen Mario Menendez submitted several telexes. The copy at the commander in chief's office in Buenos Aires had been destroyed, but not the original received in the south.

2. It cannot be ruled out either that once it has rid itself of the bothersome Malvinas case, the Supreme Council will hand down sentences in some of the more talked-about cases in the dirty war: Menendez, Camps or the ESMA [staff?]. In this instance its objective would be to hand down a stiff sentence at the highest level, but also to make headway in interpreting Point 30 of the Federal Court's sentence in the trial of the former commanders, which acquits their subordinates. This issue still represents a dilemma for the Armed Forces and the government. Point 30 has forced the tabling of the various petitions claiming due obedience and no further prosecution that kept officials in three ministries busy for almost 2 years. As Alfonsin told a U.S. TV network, there will be more trials. The Supreme Council is not eager to sentence anyone, but it also clearly realizes that the delaying tactics must come to an end when the higher body is a federal court that is determined to take action. "If we do not hurry up, they will take the cases away from us. The courts will take them over, and the sentences will be tougher and will pay no attention to rank," reasoned a distressed general. At this point it is clear that the prosecutions will continue, because the public will not have it otherwise and the officers are resigned to appearing before the courts, where they are helped by the reluctance of many judges to alienate the military and by the absence of evidence, the destruction of which was standard operating procedure.

3. The revamping of the army, which will reportedly be undertaken over the next 30 days, includes the elimination of a pair of brigades and several regiments and the regrouping of units. EL PERIODISTA has reported at length on this reform; many describe it as merely "cosmetic," but in any event it means living within a budget in line with the average for 1965 to 1975, which was half of the average for the following 10 years. New assignments are being postponed until the overhaul is completed.

4. The reorganization of intelligence services. The establishment of the National Intelligence Center (CNI), based on the model of the U.S. National Security Council, will mean that all existing military services come under it. What is now under discussion is whether the State Information Secretariat will also come under the CNI. As was to be expected, its executives oppose such a move but will most likely be unable to stop it. Alfonsin has allegedly already come out in favor of "might makes right." Several factors militate against the State Information Secretariat's desire for autonomy: the effort at

streamlining, which does not admit exceptions; its poor performance so far, and the incompetence of its staff. In this regard, government circles are more ashamed than amused when they mention a question that the head of SIDE's international section, Radical point man Melfi, once asked in public: "What's the difference between deterrence and detente?" After the plot was officially uncovered and it was learned that calls threatening schools had been made from the 601st Army Battalion, the cleanup operation has proceeded apace. The battalion's new commander, Col Carlos Gonzalez, a methodical confirmed bachelor who is called "The Mule," relieved all of its officers and employed the old military tactic of dispersing them to various units around the country to prevent them from keeping in touch and to thwart any conspiracy.

5. The reorganization of Military Manufactures. The bill drafted by the secretary of defense for production, Raul Tomas, under Raul Borras, sat for 9 months in Roque Carranza's drawer, and Carranza's only comment on the matter was rather terse: "Leave well enough alone." The appointment of German Lopez has nothing to do with Tomas having been replaced by Daniel Larriqueta. The secretary of production had already handed in his resignation to Carranza in December, and it was going to be effective as of 1 March, when he got back from vacation. The reorganization plan, which calls for modern management and control methods to prevent wasteful spending and to turn the holding company into a force for economic development, got bogged down after a cabinet meeting a year ago at which Justice Minister Carlos Alconada Aramburu argued that no further moves could be made without consulting SOMISA [Argentine Iron and Steel Joint Association]. This story aside, the debate on privatizing state-run companies will obviously affect Military Manufactures as well.

As we can see, this is a heavy but bureaucratic agenda that is typical of calm times. A strong administration has succeeded in firming up its ties with the Armed Forces, which have not recovered from either the dirty war or the Malvinas disaster and which cannot even think about running the country because they are not even able to run themselves. The commander in chief, Raul Alfonsin, has no reason to fear an institutional coup. But it would be foolish to make light of the fundamentalist conspiracy that is being hatched in the shadows and that this article provides just a first inkling of.

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ARGENTINA

GROWTH PROMOTION SECRETARY DISCUSSES PRIVATIZATION PLANS

Buenos Aires SIETE DIAS in Spanish 20-26 Feb 86 pp 62-65

[Interview with Norberto Bertaina, secretary of growth promotion, by Carlos Monge; date and place not specified; first three paragraphs are introduction]

[Text] Born in Santa Fe but an adopted son of Cordoba, Norberto Bertaina graduated as a certified public accountant from the National University of Cordoba in the early 1960's and since the outset of his professional career has been used to working in government. A lifelong Radical Party activist, Bertaina was only 25 when in 1963 he served as undersecretary of housing in the Cordoba city hall, which was headed at the time by the nation's current vice president, Dr Victor Martinez. Twenty years later, in light, no doubt, of Bertaina's brilliant record, Alfonsin did not hesitate to offer him the strategic post of housing secretary, a post that he left only temporarily to serve as the president's personal representative in coordinating aid to the flood victims.

Raul Alfonsin recently appointed him to replace Jorge Manuel Tanoira as secretary of growth promotion, and the feeling is that Bertaina will be one of the main people in charge of implementing the policy of privatizing state-run enterprises that the president and Economy Minister Juan Sourrouille announced in the address that they delivered to the country not long ago. This difficult task presents many stumbling blocks, some of them within the ruling party itself according to various rumors and leaks, but it does not seem to intimidate this economist, who though a technician cannot be described as a "technocrat" and whom nobody can accuse of being an upstart in the UCR [Radical Civic Union]. The fact is that henceforth it will be increasingly difficult for him to find time for a weekend "escape" to Cordoba, where his wife, Ema Carioni, and his two daughters, 17-year old Maria Ines and 12-year old Maria Angelica still reside. But work is not something that this accountant is afraid of. He is in his office early every day and is one of the last to leave the secretariat building at 500 Alem, where his coworkers are by now accustomed to seeing the lights on in his office until late in the evening as he pours over documents between sips of mate tea.

SIETE DIAS spoke with Bertaina about the tasks that await him and the role that his secretariat will play in the government's privatization policy. He emphasized that he is not afraid of what the verb "privatize" means and that he is prepared to use it whenever necessary to reactivate our economy and promote growth. The following is a summary of the talk:

[Question] Mr Bertaina, considering that you have succeeded Mr Tanoira, whose main mission was to privatize growth, will putting certain state-run enterprises into private hands be one of your most important jobs too?

[Answer] I don't know whether this task is going to be within the realm of my activities or of the secretariat, because it is not the secretariat's function to privatize state-run enterprises. You put it quite well: to privatize growth, which is different from privatizing state-run enterprises. Privatizing growth means, for example, enabling the private sector to provide services such as sanitation, drinking water, mass transit (which could now be provided by Ferrocarriles), or cargo hauling...Or it could be the growth of a sector, of an activity that a state-run enterprise might now be performing, the manufacture or sale of goods or the provision of public services...All of this is part of what has been called the privatization of growth. Privatizing was not an essential function of the secretariat, at least according to the guidelines for its tools. Privatization was and is the responsibility of a commission that the president set up under Decree 414 of 1984.

[Question] Nevertheless, it has been said in connection with the announced privatizations that it is not yet clear whether your secretariat or the Secretariat of Public Enterprises Management Control, which Marcelo Kiguel heads, will be in charge of implementing them. What can you tell us in this regard?

[Answer] If I had to give you an answer based on what is known so far, I would repeat what I told you a moment ago. In other words, these functions are the responsibility of a commission chaired by the General Secretariat of the Presidency and including representatives of the Central Bank, the Bank of the Nation, the Ministry of Public Works and Services, the Ministry of Health and Social Action, the National Development Bank (BANADE), the Labor Ministry, the Defense Ministry, the Economy Ministry and, tangentially and with a relatively less important role so far, the Secretariat of Growth Promotion. The Secretariat of Public Enterprises has different functions and is not on the commission. That is to say, at least so far the secretariat that I mentioned last has not been assigned any function in this connection...

[Question] As a longtime Radical, are you afraid of the word "privatize"?

[Answer] Not at all...I am absolutely convinced that it is a proper tool for growth under the circumstances, when the traditional tools that the country has employed are very limited and offer very few prospects...Let's not forget that the traditional tools that the country used were: government investment, government loans, government subsidies, tax breaks, tariff barriers...As a result of the sharp drop in Argentine's gross national product in recent years, these are all tools that can no longer be resorted to...We used to have a sector that clearly enabled other sectors to grow. When agriculture, our country's leading sector, was producing competitively with the rest of the world...when other countries did not protect their economies and did not grant the subsidies that they are today, we enjoyed several relative advantages that enabled us to transfer resources from one sector so that the other could grow...But that other sector, the industrial sector, was not developed enough to return the favor and enable agriculture to grow and expand today when there are subsidies and protectionism in the world...

Therefore, the lack of prospects forces us to look for other methods. Using our imagination and creativity, we feel that by privatizing enterprises, but not just the ones that are in the red, even those that are in the black, we can obtain the resources that, when appropriately utilized, will spur our growth...

[Question] The Radical Party has traditionally assigned the government a major role in running the economy, especially in certain fundamental sectors such as energy and steel. We have thus heard that the new privatization policy has met with some resistance within the party...

[Answer] I do not accept the assertion that the Radical Party is statist. The Radical Party has tried to persuade, but not to supervise, penetrate or absorb...When it has been in power, the Radical Party has never sought to set up state-run companies, except for the YPF [Government Oil Deposits]...a company that has spurred growth in our country. But no Radical administration has taken over private companies that were going broke...So I don't think that you can back up your assertion too well when we begin analyzing all this. The Radical Party is not an all-out champion of state-run enterprises or of increased government involvement in the provision of goods and services. On the contrary, the Radical Party is a staunch supporter of human freedom and creativity, of private enterprise...

[Question] I brought up this issue because rumors and stories aside, we have heard comments lately, for example from the head of Water and Energy, Carlos Emerito Gonzalez, to the effect that the Radicals have always advocated keeping basic energy enterprises in government hands...

[Answer] Yes, of course...This is why I told you that the UCR has defended the YPF, but we cannot deny that the YPF has served the country's interests; there is no doubt in my mind about it...But today there is a new approach, and things have already been clearly spelled out. There might be some debate, but it has to do with the pragmatic, not the ideological side. There could be discussion about whether or not it is a good idea to privatize enterprises in the petrochemicals sector, for example...Though the president and the economy minister have clearly announced that these are the kind of enterprises that we are prepared to offer for sale to secure the funds that will enable us to grow in other sectors...

Neither Economic Liberals Nor Statists

[Question] Someone once said, referring to the heterogeneity of our economy, that we are "socialists without a plan and capitalists without a market." Oddly enough, governments that have espoused liberal economic policies have not done any privatizing; rather, they have at times created more state-run companies. What do you think about this apparent contradiction?

[Answer] First of all, it is a fact...Free-market governments have taken over bankrupt companies...

[Question] So then, how is the Radical approach different from the traditional free-market approach to privatization?

[Answer] The traditional approach to privatization says that the government should not be involved in any way in running the economy, simply because it shouldn't (right?) and that if any activity under government control is in the red, the government should get rid of it. We feel that if there are certain deficit-ridden activities that the government ought to continue to perform, the government is going to keep on performing them. For example, I could tell you: Ferrocarriles is in the red...But is it of importance to us? Yes, it is. Therefore, we're going to take care of the Ferrocarriles deficit. We're going to try and reduce it so that the government is more efficient...But we're not going to get rid of the enterprise because it is in the country's interest...

[Question] But what has traditionally happened in Argentina is this: the profits have been privatized, and the losses have been nationalized. This happened, for example, with Italo, which the military government bought for a much higher price than it was worth...

[Answer] Of course, but we are not proposing this, because that would be a peripheral privatization, wouldn't it? This sort of situation occurs in a peripheral privatization, where investors buy only the "cream," the attractive part of what the government is offering for sale and leave the government with the losers. But this is not our approach...

[Question] Do you know of private investors who have expressed an interest in the enterprises that have been offered publicly?

[Answer] I know that no sooner had the minister mentioned the possibility of privatizing the Bahia Blanca petrochemical complex than the various parties involved in the complex, where there are companies that are 30 percent government owned, said that they wanted to find out how to proceed because they were interested in the government's offer...

[Question] There has also been talk that foreign investors, specifically the Japanese, are somewhat interested in buying some of these enterprises. Do you know anything about this?

[Answer] I have not been in contact with any Japanese investors. But I can tell you, getting back to the Bahia Blanca petrochemical complex, that Seito, a Japanese firm, is there, and I don't doubt that it is interested in continuing as part of this project...This is the only specific knowledge I have about foreign investors who are interested in participating alongside us in what I feel is one of the main tasks today: privatizing growth, privatizing for growth in the sectors in which we can develop "state-of-the-art" technology so that we can avoid missing the train to the future. We cannot continue to take part in the world economy just as sellers of meat or wheat, because countries are not buying or if they are, they are paying a price that does not cover production costs in Argentina. And the only way to modernize our economy today is by securing solid funds to finance our development, funds that can be secured today only through initiatives such as these, which show creativity and imagination...

8743
CSO: 8148/0930

BELIZE

ESQUIVEL DISCUSSES BUDGET, CASINOS AT PRESS CONFERENCE

Comment on Guatemala Talks

Belize City THE REPORTER in English 2 Mar 86 pp 1, 9

[Text]

Prime Minister Manuel Esquivel has made his most unequivocal statement yet about casinos.

There will be none in Belize!

At his news conference last Wednesday the Prime Minister set to rest any lingering doubts about casinos. "We have said from the beginning that we are not giving out any licenses for casinos," he replied in answer to a questioner.

Replying to a barrage of questions the Prime Minister ranged over a broad spectrum of subjects. What follows is a summation of some of his answers:

ON THE BUDGET

The budget exercise will take place before the House adjourns for its Easter recess, and will probably occur in mid-March. The natural increase in government expenses will require the government to spend an additional $6 million during the new financial year, even if nothing else happens. The government is working and seeking ways to increase the revenue without resorting to additional taxation. The government, he said, is hopeful that it well achieve this objective. The government, he said, takes the view that additional taxes reach a point of diminishing returns. This is not the way to go.

ON LAND POLICY

The Policy of the government with respect to land is that persons who want to acquire government land must first lease it and develop it before they will be allowed to buy it. Since the new government took over it has not sold any land to Americans.

On land development the PM said his government's policy is to encourage people-local and foreigners - to develop the land and in this way to spread the benefits of development. It is the policy that any land in private hands has to be developed.

ON IMF DEPENDENCE

"We are striving mightily to end our programme with them in the shortest possible time."

ON LAW AND ORDER

People who break the law must answer to the law. Some people have felt it is all right to break the law. Some people have decided to increase their activity outside the law. We gave them one year. Instead of reflecting on this, they have decided to continue acting outside the law.

Some of these people are in politics. Others are in the Public Services and others are people on the street.

ON TALKS WITH GUATEMALA

The Government of Belize is trying to get new talks started with Guatemala, beginning afresh. The government will make arrangements for the opposition to be represented at these talks whenever they occur. The Belize government will maintain a policy of no land cession.

ON LOTTERIES

Government should be collecting about five times what it is currently taking in on the daily and weekly lottery and the new legislation is designed to correct this. "There is going to be a change in the law," the P.M. said. "It is taking a little while because we have to make sure that we have it right."

Lotteries are a form of indirect taxes on the poor, the Prime Minister added, and his government's view is that revenues from lotteries should be spent wholly in the area of the social services.

Price Reductions

Belize City THE REPORTER in English 2 Mar 86 pp 1, 9

[Text]

At his monthly news conference last Wednesday the Prime Minister, Mr. Manuel Esquivel had some encouraging news about the cost of living. He announced reductions in the price of condensed milk - from 95 cents a tin to 89 cents, reduction in the price of gasoline, kerosene and diesel and a soon-to-come reduction in electricity rates, by two cents per kilowatt hour.

He said he would ask the Belize Electricity Board to approve a two-cent reduction in the rate it charges for a kilowatt unit of electricity and promised that consumers can expect more reductions if the price of diesel fuel continues to fall. Rates would also go back up if the price of fuel increased, he said.

Discussing milk prices and the Belize Marketing Board the Prime Minister said the 89 cent-a-tin price was the best the Marketing Board could do at the moment. The Marketing Board, he pointed out, was seriously in debt. "Until we can change that situation," he said "we will have to live with it." The government, he said, had tried, whenever possible, to bring down the price of goods and he promised that his government would continue to do all it can to share the benefits of lower prices where these occur.

The Prime Minister said he is satisfied that the Marketing Board is operating within the law, adding that the price of condensed milk is governed by Statutory Instrument under the Price Control parent Ordiance.

/9317
CSO: 3298/382

BELIZE POPULAR PARTY STAND ON PEOPLE'S REPRESENTATION

Belize City THE VOICE in English 2 Mar 86 p 2

[Unsigned article: "Belize Popular Party--On People's Representation"]

[Text] The BELIZE POPULAR PARTY is a strong adherent of the fact that the people are the masters of a nation's destiny, for by the will of the people are representatives, City Councillors, Town Board Members and village council members elected.

It is the duty of any person elected by the people to act as servants of the people, instead of the mistaken notion of "Rulers" or "Masters."

The BELIZE POPULAR PARTY views with seriousness the attitude which some elected persons take after they are elected. We adhere to the principle that public offices, whether they be that of a minister, representative, City Council or Town Board should always be at the service of the people. The acts of arrogance, disrespect and don't care a damn attitude are therefore highly deplored. Hence the BELIZE POPULAR PARTY in selecting men and women who will offer themselves as candidates in any election will see to it that these persons are properly screened.

We are of the opinion that only by maintaining close relation and communications with the citizens can representatives have a clear knowledge of what is happening around.

Therefore in its future plan of action the Belize Popular Party will always main a close rapport with the people.

We pronounce the BELIZE POPULAR PARTY as the new Belizean Alternative. The BELIZE POPULAR PARTY will open a new chapter for Belize and Belizeans. "NOT FOR ME-NOT FOR YOU-BUT FOR ALL OF US."

/9317
CSO: 3298/382

POPULAR PARTY ORGAN WARNS OF COMMUNIST ACTIVITIES

Indoctrination of Youth

Belize City THE VOICE in English 2 Mar 86 p 12

[Unsigned article: "VOICE Sends Warning"]

[Text] On numerous occasions in the past six years, the VOICE newspaper has responsibly revealed to the public certain communist undercover activities in Belize. To name just a few: The aborted arrival of the "Moctezuma Vessel with Russian subsidized goodies to lure Belizeans; The conference at the Fort George Hotel of Leftists political Parties of Central America and the Caribbean; The clandestine visit of Russian spies who held guarded meetings at the Bellevue Hotel; and the activities of certain communist agents in an attempt to subvert certain organizations in Belize through the INNOCENT FRONT.

We once again sound the warning bell that with the return of Belizean students from Cuba, Belizeans will in the not too distant future witness the propagation of imported ideologies and the recruitment and indoctrination of innocent youths. Mark the date of this, our warning. This is more serious than what was said at the recent Prime Minister's Conference. Every nation, including the United States, which had returning students from communist countries had very bitter experiences. Mexico was hard hit in 1968 when 34 students returned from Russia, including the notorious Lorenzo Cardenez Barrajas, who came to Belize looking for sanctuary from comrade friends.

We will monitor this situation very closely and keep our people informed.

March 'Surfacing'

Belize City THE VOICE in English 2 Mar 86 p 3

[From Jim Rover column "Here and There"]

[Text] The local communists in Belize have apparently gone underground for the time being. It is believed that they are planning to surface sometime around March 9 and 10th of this year, with their front from below plan as they attempted to do with the cane farmers and teachers.

/9317
CSO: 3298/382

DEFENSE FORCE ANTIDRUG ACTION RAISES QUESTIONS

Belize City AMANDALA in English 14 Feb 86 p 1

[Text]

BELIZE CITY, Thurs. Feb. 13

Around 2:30 p.m. today, the villagers in the Maskall/Bomba area were alarmed by the sound of explosives in the immediate vicinity. It was discovered shortly afterward that a portion of the feeder road which leads to Bomba, not far from where a sawmill is located, had been destroyed by some exploding device.

BELIZE CITY, Fri. Feb. 14

After receiving this story by telephone from Maskall yesterday afternoon half an hour after the incident, the newspaper checked with an official government source which revealed that the Belize Defence Force was conducting a marijuana eradication exercise using explosives, and the possibility existed that they might have been operating in the Maskall/Bomba area.

But our original source called from Maskall again shortly after, repeating a request to have the newspaper come out to the area to take photographs, and insisting that both British Army and BDF personnel were involved in the gratuitous explosions which had injured no civilians, but badly damaged the road and alarmed livestock which then broke loose.

This morning's issue of the opposition PUP BELIZE TIMES claims in a column on page 6 that the government has resumed the aerial spraying of marijuana fields in the north of Belize with a chemical called "Round Up".

What this has to do with the Maskall explosions, if anything, is anybody's guess, and our intention is not to alarm anyone. The Maskall residents have already experienced their alarm, because there was no warning or notification.

Neither is it the newspaper's intention to expose or interfere with secret army exercises. We speak on behalf of fearful and uninformed civilians. What's going on?

/9317
CSO: 3298/382

BRIEFS

NEW FRENCH ENVOY--France's new ambassador to Belize, Alain Rouquie, has arrived in Belize, replacing former ambassador Jean Pierre Chavet, who has been recalled. Ambassador Rouquie has presented his credentials to Governor General Dame Minita Gordon, and paid courtesy calls on Prime Minister Manual Esquivel and other members of the Cabinet. A government spokesman has quoted Ambassador Rouquie as calling Belize a model of representative democracy. The ambassador reportedly added: "Belize remains a factor of stability in Central America. The existence of an independent and sovereign Belize in a state of peaceful relations with its neighbours is necessary for the equilibrium of an area endangered by conflicts and political turmoil." [Text] [Belize City THE BEACON in English 1 Mar 86 p 5] /9317

CSO: 3298/282

BRIEFS

TUCANO READY FOR BRITISH--The British version of the Tucano airplane, modified to British Royal Air Force specifications, is ready and a model flew for the first time on 14 February in Sao Jose dos Campos. The RAF has bought 130 of these training planes. On 24 February the Brazilian Aeronautics Company [EMBRAER] signed a cooperation program with Egypt allowing the AID (Arab Organization Industrialization) to become its sales and technical assistance representative for the Tucano airplane to the Arab-speaking countries. The Arab negotiators revealed that the current contract foresees the purchase of 120 airplanes, and possibly 60 more. The EMBRAER has so far exported 52 complete Tucano airplane kits to Egypt and 11 airplanes are already flying. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 86 p 2B PY] /6091

MINISTERS ON ANTARCTIC BASE VISIT--Science and Technology Minister Renato Acher, Navy Minister Henrique Saboia, and Foreign Minister Abreu Sodre explained that the visit they had paid to the Brazilian base in the Antarctic had the purpose of publicly showing the other signatory countries of the Antarctic treaty that Brazil intends to continue the work it has started in that continent. The ministers disclosed that as of now, the Comandante Ferraz base will be inhabited during the winter season in order to intensify the survey being carried out at the base. Minister Saboia asserted that Brazil has no military interests in the Antarctic. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Mar 86 PY] /6091

EXTRADITION OF HAITIAN--The request to extradite Colonel Albert Pierre, the former Haitian special police chief, has not yet been formalized for a simple reason: the Haitian Embassy has not forwarded all the required documents to the Brazilian Government. Itamaraty explained that it is necessary to forward a letter, documenting the utilization of the principle of reciprocity because there is no extradition agreement between Brazil and Haiti. The Foreign Ministry also stated that Albert Pierre's preventive custody can only be decided by the justice minister. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Mar 86 PY] /6091

ITAMARATY ON HOUSE VOTE--Brasilia, 20 Mar (AFP)--The Brazilian Foreign Ministry today stated that the decision of the U.S. House of Representatives to vote down President Ronald Reagan's request for $100 million in aid to

Nicaragua's armed opposition is a U.S. domestic policy issue. Therefore, it would be unsuitable for the Brazilian Foreign Ministry to make any comments, Itamaraty spokesman Ruy Nogueira explained. [Text] [Paris AFP in Spanish 2336 GMT 20 Mar 86 PY] /6091

CSO: 3342/85

REACTION TO ADMIRAL MERINO'S STATEMENT

Matthei, Garcia Disagree

PY201313 Santiago Radio Chilena in Spanish 1700 GMT 19 Mar 86

[Questions in recorded passages are posed by unidentified reporters]

[Text] Serious disagreements have arisen between General Fernando Matthei and Interior Minister Ricardo Garcia about the statements Admiral Jose Toribio Merino Castro made yesterday while opening the sessions of the legislative branch.

The interior ministry has said that the statements made by the admiral represent the government's thinking, but Gen Matthei has stated that this is not the case.

Opening the legislative branch sessions, Adm Merino stated that the Government Junta deems it necessary to revise the 1980 Constitution.

Among the possible changes, Adm Merino said that the Armed Forces should not be allowed to vote in the upcoming presidential elections.

Asked about this point, Interior Minister Ricardo Garcia stated that Adm Merino's words reflect the government's thinking.

[Begin Garcia recording] In connection with statements by Adm Merino, I would like to state that they have not caught me by surprise at all because they correspond to, and reflect, the general planning that has been outlined concerning the institutional developments and the legislative progress we are all conducting.

You know very well that, within the timetables and schedules we are willing to achieve the full development of the institutions and the regulations that we must implement.

The statements made by the admiral correspond to, and reflect, the planning that we have outlined. Therefore, they reveal a consistency of goals necessary to achieve that result.

On the other hand, I also believe it is important to note that his statements reveal the junta and the admiral's intentions to cooperate in reviewing and approving the various provisions to be made. [end recording]

The minister was told that Adm Merino had directly urged the executive branch to prevent the Armed Forces from voting in the upcoming presidential elections.

[Begin recording] [Garcia] [Words indistinct] a very specific point. It is a general comment on possible constitutional reforms and, within its provisions, the Constitution obviously provides for methods to review a reform. This, a matter mentioned in the statements you just mentioned, is worth studying and reviewing.

[Question] However, Minister, the admiral has definitely raised the possibility [reporter rephrases] the need to review the Constitution if the executive branch takes the initiative. Is the executive branch willing to take such an initiative?

[Garcia] Within our planning, certainly there is willingness to have a constitutional regulatory framework and a legislative scheme that is as perfect as possible.

Therefore, such a review of the constitutional provisions is a review worth doing for the country to have the best constitutional framework. [end recording]

While Garcia was making these statements, Air Force General Fernando Matthei, one of the Government Junta members, arrived at La Moneda Palace.

The FACH [Chilean Air Force] chief of staff stated that the speech made by Adm Merino does not represent the thinking of the legislative branch.

[Begin recording] [Matthei] He is the one raising the political aspect. That represents his own opinion. We have a custom which, on the other hand, is based on the Constitution's principles, right? That we are peers. There is no Government Junta president. There is none. Just for protocol, or order purposes, the senior person, in this case the admiral, presides. However, when political issues are raised, each one voices his own thinking whenever he deems it opportune and appropriate. None of us ever asks another to represent him and speak on his behalf. Therefore, without expressing agreement or disagreement with what he [word indistinct] said, I will not comment. He said what he said because he felt it was right. That is all.

[Question] General, does this mean that the statements made by Adm Merino were not previously discussed or agreed upon?

[Matthei] No. No. No.

[Question] General, what changes should be made...

[Matthei, interrupting] I did not talk about constitutional changes.

[Question] However, in the speech opening the legislative branch sessions...

[Matthei, interrupting] Have I spoken? Messrs, you have just heard my explanation, right? And each one speaks for himself. They do not talk on some one else's behalf. Did I speak yesterday?

[Question] Then, that speech did not represent the thinking of the Government Junta?

[Matthei] Concerning political issues, each one says what he deems appropriate, as I have just said. I have just given a complete explanation that the speech was not discussed before and that there was no previous agreement at all on it. [end recording]

After the disagreement in the statements, Gen Matthei and Interior Minister Garcia made an attempt to clarify the situation for the press.

Gen Matthei again agreed to speak to the journalists but his statements remained unchanged concerning constitutional changes.

[Begin recording] [Matthei] At this time, I do not want to make any comment on this matter because, in my opinion, that matter must be discussed by a broader circle with, I believe, the president of the republic, with the interior minister and, anyway, before making any statement on this matter we must hold meetings. This matter has not been studied in detail. That is, in general it is felt that changes may take place. Why not? However, we should discuss more concrete points.

[Question] General, Adm Merino does not favor the Armed Forces voting. What is your opinion on this point?

[Matthei] I fully agree. This is not something that should be ascribed to Adm Merino. We all agreed on it when we included this point in the Constitution. We believe that the Armed Forces should not vote in order to prevent them from becoming politicized or being used by politicians. [end recording]

Gen Matthei concluded by stating that he is not a political commentator and that, therefore, he will not make any comments on the statements or speeches made by other people. The political commentator will then have an opportunity to do this.

Opposition's Reaction

PY201445 Paris AFP in Spanish 0320 GMT 20 Mar 86

[Excerpts] Santiago, 19 Mar (AFP)--A hot issue today emerged in Chile after the surprising proposal made by Navy Commander Admiral Jose Toribio Merino calling for a constitutional reform to prevent members of the Armed Forces from voting in the presidential elections.

Social Democrat Rene Abeliuk has indicated that the opposition forces are under the impression that Adm Merino's proposal proves that the Constitution approved by the military regime is not an adequate instrument through which to reestablish democracy.

Abeliuk also said that the reform must obviously be of a broader nature than the example given by the admiral.

Christian Democrat Gutemberg Martinez agreed with Abeliuk and added that Merino's proposal is only an insinuation that does not solve the basic problem: the quick and real transition toward democracy.

The opposition recalled that the new Constitution was disapproved of from its beginning because the representative forces of Chilean society did not participate in its study and it was promulgated after a plebiscite in 1980, whose legitimacy was questioned by the majority of political parties and Catholic bishops.

/6091
CSO: 3348/468

CHILE

WILLOUGHBY RESIGNS FROM ACTION MOVEMENT

PY201853 Santiago EL MERCURIO in Spanish 19 Mar 86 p C3

[Text] "This is an act of self-denial aimed at creating conditions for better understanding, both in the nationalist and the democratic forces, to produce a broader civic movement that would provide guarantees to the Armed Forces to carry out a fluid transition by changing the current situation, which has a tendency toward polarization."

This is how Federico Willoughby, outgoing president of the National Action Movement (MAN), who, on 17 March officially handed over the MAN presidency to Gaston Acuna, yesterday justified his resignation.

Willoughby said: "I will continue in MAN. I would only join a different and united democratic force if it represented the sectors that advocate order and are willing to reach an understanding with the Armed Forces."

He recalled that when he resigned from the MAN presidency, "I said that I was doing it to enhance the Diego Portales principle of impersonality and the harmful effects of rule by political bosses, who frequently are the vehicle of personal ambition and extreme positions that are against the environment of moderation which Chile needs."

He based his decision "on the need to create an alternative force, through self-denial, identifying itself with the social and civic sectors without party orientation but fulfilling the need to strengthen the presence of a force advocating order, unifying similar sectors due to the exaggerated diversification that is delaying the objectives set down on 11 September 1973 and obstructing the moderate move toward democratic normalization."

He said: "The country wants a civilized understanding emerging from our own needs, and not from foreign pressure, to put an end to the totalitarian behavior of the extreme sectors and to set the regime headed by General Pinochet in a position which, without breaking, can move toward the installation of a civilian government with a congress and an independent judicial branch, which are the basic national aspiration of the 1980 Constitution."

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CSO: 3348/468

CANESSA OPPOSES REVISION OF 1980 CONSTITUTION

PY202335 Santiago Domestic Service in Spanish 1730 GMT 20 Mar 86

[Text] Government Junta member Lieutenant General Julio Canessa has said that it is not appropriate to modify the 1980 Constitution because it has still not been fully applied and because we are living through a phase that is controlled by the transitory articles of the Constitution that will no longer be applicable in 3 years.

Commenting on the speech Admiral Merino delivered on 18 March when dedicating the legislative year, Canessa said that it expressed Merino's own ideas. Regarding the troops' right to vote, Gen Canessa said that this question will have to be studied carefully within the framework of the electoral law.

When questioned whether the political parties law will be issued this year, he replied that this will be possible only when the pending problems that have prevented its approval are solved.

[Begin recording] [Canessa] In my opinion, I do not believe it is appropriate to modify the 1980 Constitution, because it was approved by the majority of the people, because it was drawn up by extremely qualified experts, and because this Constitution has not been fully applied since we are living through a phase controlled by transitory articles. Therefore, I do not think it is appropriate to modify it. Besides, the transitory articles, just as their name indicates, will no longer be applicable in 3 years. Thus, I do not think it is necessary to modify the Constitution.

[Unidentified reporter] General, was the speech discussed by the rest of the junta members?

[Canessa] As I have already stated, the speech contains the admiral's own ideas.

[Reporter] General, do you believe it would be appropriate for the troops to vote in future elections?

[Canessa] This will have to be carefully studied, because it could be decided by the former Constitution, (?which stated) that the matter should not be regulated by the Constitution but by the electoral law.

Therefore, this has to be studied carefully, and there is enough time to do so. Thus, I do not think it is appropriate to start discussing this issue now.

[Reporter] Anyway, this issue could be subject to revision?

[Canessa] Everything in life is subject to revisions. All human things can be modified, as long as we are alive. So, it is possible a modification will be made, but it is also possible one will not be made.

[Reporter] General, do you believe that the law on political parties will be issued this year?

[Canessa] It is intended to issue it once the existing problems that have prevented it from being approved are solved. [end recording]

Gen Canessa made these comments after dedicating the 4th legislative commission's 1986 legislative year in the 7th hall of the Diego Portales building.

/6091
CSO: 3348/468

PDC CHALLENGES GOVERNMENT TO TV DEBATE

PY241822 Madrid EFE in Spanish 1600 GMT 23 Mar 86

[Text] Santiago, 23 Mar (EFE)--The Christian Democratic Party (PDC) today released a statement challenging the government of General Augusto Pinochet to hold a television debate "face to face with the people."

The challenge is the PDC response to repeated attacks conspicuously made against the PDC and PDC President Gabriel Valdes. These attacks, which have been disseminated by the official media, were originally attributed to a "high-ranking governmental source" but now have been attributed to Minister Secretary General of Government Francisco Javier Cuadra himself.

The PDC statement notes that "once again we challenge Mr Cuadra and the government to discuss over the television channels their arguments and our arguments, face to face with the people, because we have absolute confidence in our people's wisdom."

The communique states that "the moral quality of Mr Cuadra's attacks is demonstrated by his using and abusing the control the government exercises over the majority of the mass media, especially the monopoly being exercised over the television."

The PDC states that "this is a special feature of a dictatorship."

"The uncontrolled attacks and disqualifications made by the government and government officials confirm and strengthen our democratic, peaceful, and liberty-seeking political proposal. We propose a united fatherland for all Chileans, and we will continue resisting the efforts being made to keep Chileans divided between friends and foes," the PDC adds.

/6091
CSO: 3348/468

LABOR MINISTER DENOUNCES BOYCOTT OF INVESTMENTS

PY260230 Santiago Domestic Service in Spanish 1630 GMT 25 Mar 86

[Excerpt] Chilean Labor Minister Alfonso Marquez de la Plata has charged a group of Chileans with trying to boycott abroad foreign investments in our country. The minister made this charge on his arrival at the Santiago International Airport from Canada, where he attended the 12th ILO Conference. Regarding this fact, Marquez de la Plata said that if no investments are made in productive sectors, everyone will be seriously harmed, particularly the workers.

[Begin Marquez recording] If there are no investments, and no new activities are created, the workers are greatly harmed. Therefore, I believe that although anyone can legitimately oppose the government, it is immoral to try to paralyze the country, to attempt to stop the country by sabotaging investments that could be made in the country. [end recording]

The minister voiced anger over this attitude on the part of bad Chileans who are thus hindering the growth of the country.

[Begin recording] [Marquez] This is something that has deeply upset me because I believe that anyone is free to do as he pleases, but in his effort to seize power no one should harm his own country.

[Question indistinct]

[Marquez] Exactly, I will report it to the president of the republic because I have very complete and precise details on that, and then we will be able to discuss the subject.

[Question] What measures could be adopted in this respect?

[Marquez] Well, first of all I believe that there should be a moral sanction by all Chileans, because I think it should be known that these people are knocking at the door of all governments, and are distorting the truth about our country to discourage investors with this kind of talk. It is well-known that all countries, including communist nations, receive foreign investments. Therefore, under any government, our country will always need foreign capital.

We have human resources but lack capital. This capital will always be made up of domestic savings and of external savings, through foreign investments. Therefore the attitude of these Chileans is undoubtedly, absolutely, completely condemnable. [end recording]

/6091
CSO: 3348/468

CHILE

MRS PINOCHET COMMENTS ON HUSBAND'S POLITICAL FUTURE

PY272114 Madrid EFE in Spanish 1443 GMT 27 Mar 86

[Text] Santiago, 27 Mar (EFE)--The wife of President Augusto Pinochet has stated that her husband has decided to leave the government in 1989 if "the people turn him down" in the plebiscite over the continuation of his mandate.

Lucia de Pinochet said her husband would be willing to step down "when his term of office ends if the people do not accept him in the 1989 plebiscite."

Talking to Santiago-based journalists, Lucia de Pinochet said that Pinochet "will continue fighting" even "if he stops being president tomorrow." General Augusto Pinochet has governed Chile since the 1973 coup d'etat.

Under the 1980 Constitution, the Pinochet transition government will end in 1989, and then the Junta of Commanders in Chief of the Armed Forces must propose the name of a candidate to succeed him for the next 8 years. Only if the people do not accept the candidate proposed by the Junta, will there be direct elections for the nation's president in 1989.

Should that be the case, Gen Pinochet, according to his wife, will neither stay home with his arms folded nor will he take another public post, such as a ministry, because it would befit someone who had been president of the nation." [quotation marks as received]

In the words of Lucia de Pinochet, "there are many ways to fight; one of them is writing, and he (Gen Pinochet) has a great deal of experience to share with the youth."

Mrs Pinochet asked the opposition "to be a little more objective; not to disregard the good aspects of the government, focusing only on the bad aspects; and not to resort to disrespectfulness and slander in acting as adversary."

She ended by urging supporters of the Chilean military regime "to get organized quickly," before "they find themselves overtaken by events, because this would be bad for everybody."

/6091
CSO: 3348/468

CHILE

BRIEFS

MARCH TO CEMETERY 'REPRESSED'--The Chilean police harshly repressed the participants in a march that was going to the Santiago cemetery and that was led by the widows of three opposition leaders who were assassinated last year and whose killers have yet to be punished. The widows of Jose Manuel Parada, Santiago Natino, and Manuel Guerrero arrived at the Santiago cemetery accompanied by approximately 400 people carrying floral wreaths and placards with slogans criticizing the military regime. Jorge Pavez, president of the Chilean Teachers Association, said in a speech that one year has passed since the assassination of the opposition leaders and justice has yet to be done. The assassins freely move about in the streets, he added. The bodies of Parada, Natino, and Guerrero were found near the Santiago ariport on 30 March 1985, one day after they were kidnapped in the street by an armed group that openly carried out the action in front of witnesses. [Text] [Havana International Service in Spanish 2300 GMT 30 Mar 86 PA] /12913

POLICE DISPERSE DEMONSTRATORS--Santiago, 28 Mar (AFP)--The local police today used teargas and water hoses to disperse an opposition meeting outside La Moneda Palace. The demonstrators were led by the widows and relatives of communist leaders Jose Parada, Maneul Jose Guerrero, and Santiago Natino, who were murdered one year ago. Three members of the Carabienros were first included in a court inquest regarding this triple murder, but many of the suspects were released later and so far, no one has been charged. Parada, Guerrero, and Natino participated in compiling information on a police-military commando group that had executed many opponents of the military government of General Augusto Pinochet in the 1970's. All three of them were found dead with their throats cut in a deserted site outside Santiago. Relatives and dissidents today marched through the plaza outside the government palace and laid flowers and placards near pictures of the murdered leaders. The demonstrators were later dispersed by a large heavily armed group of policemen. [Text] [Paris AFP in Spanish 0129 GMT 29 Mar 86 PY] /12913

ECONOMIC INTEGRATION PROGRAM TESTED--Santiago, 5 Mar (EFE)--A total of 14,000 tons of Argentine steel bound for the PRC is being shipped from the Chilean port Antogagasta. Eugenio Concha, agent of the Metalmar Enterprise stated that this is a pilot operation within the framework of the economic integration program between Argentina and Chile after the Peace and Friendship Treaty signed in 1984. [Summary] [Madrid EFE in Spanish 0018 GMT 5 Mar 86 PY] /12913

JOURNALIST RELEASED--Santiago, 20 Mar (EFE)--Opposition Chilean journalist Fernando Paulsen was tonight released on bail, on orders from a military court, after being held in prison for 3 weeks. Paulsen, information chief of the publication ANALISIS and correspondent of the U.S. weekly TIME, is being tried by a Chilean military court for insulting the police. Paulsen reportedly committed the crime of using the word "murderers" last August in a publication related to the trial of several police officers for the kidnapping and murder of three communists 1 year ago. The police, who were on trial, have been released on bail for lack of evidence. [Text] [Madrid EFE in Spanish 0424 GMT 21 Mar 86 PY] /6091

DEMOCRATIC SECURITY MECHANISM PROPOSAL--[Monitored in progress]...concerns all Chileans, including the military men. Quote, I believe that the members of the Armed Forces will responsibly think over the need to listen to the opinion of the international community which, today, more than ever, plays a key role in the life of the countries, unquote. The Christian Democratic leader added that through domestic efforts and this international understanding, we, all Chileans, will reach agreement soon. Valdes added that the goal is to achieve such an agreement as soon as possible, thus permitting the restoration of an orderly democracy, one of concerted efforts, in which human rights are strictly respected and liberties may be exercised. Valdes, a former foreign minister in the Frei administration, said that Haiti and the Philippines, especially this latter country, provide a clear view for Chile, namely on the need for unity of the democratic opposition. In statements made in Rome, Gabriel Valdes today said that, after democracy is restored in Chile, a mechanism of democratic security, especially for South America, must be created in Latin America. This mechanism would involve an agreement between governments and democratic parties, preventing our countries from again falling into dictatorships, which were so commonplace in the 1970's, Gabriel Valdes stated. [Text] [Santiago Radio Chilena in Spanish 1700 GMT 19 Mar 86 PY] /6091

CSO: 3348/468

INTERNATIONAL RESERVES UP $425.4 MILLION IN 1985

Bogota EL TIEMPO in Spanish 8 Feb 86 p 4-B

[Text] As of the end of December 1985, the balance of the country's foreign reserves rose to $2,312,800,000 compared to $1,887,300,000 in December 1984. This reflects an expansion of $425.4 million.

The Department of Economic Research at the Bank of the Republic released the 1985 figures for the principal accounts of income and outlays in the balance of trade. The former increased substantially, by about 25.8 percent, while outlays in foreign exchange were reduced by 21.1 percent.

Investment in the oil sector rose significantly, exceeding $200 million. Hydrocarbons purchases declined.

Current income totaled $4,428,600,000 last year, compared to $3,518,000,000 in the previous year. The income corresponding to reimbursements for exports totaled $2,828,500,000, a 13.8-percent rise. Coffee exports generated reimbursements of $1,575,700,000, 10.5 percent higher than the 1984 figure. Those corresponding to non-traditional goods amounted to $1,252,800,000, a jump of 18.1 percent.

The Bank of the Republic's sales of gold for industrial use totaled $408.3 million, a 30.7-percent boost, while foreign exchange income from investment in oil prospecting and drilling totaled $217.8 million. Income from services and transfers soared 57.8 percent to $974 million.

The Bank of the Republic indicates that current outlays, which total $2.286 billion, declined by 21.1 percent below the corresponding figure for 1984. Spending on the refining of petroleum and natural gas fell by 31.4 percent, to $301.3 million. Outlays to pay for imports fell by 34.3 percent, for a total of $2,252,600,000. Expenditures for services and transfers amounted to $1.732 billion, a 2.2-percent decline.

The exchange balance finished up the year with a current account surplus of $142.7 million, and the net movement of capital yielded a balance of $282.7 million. Gross international reserves were up $425.4 million during the year, reaching a total of $2,312,800,000.

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CSO: 3348/445

RECORD EXPORTS OF 6 BILLION PROJECTED IN 1986

Bogota EL TIEMPO in Spanish 17 Feb 86 p 3-A

[Text] This year Colombia's exports will total about US $6 billion, a record in the country's foreign trade, according to official sources.

The unexpected growth in sales of Colombian products abroad will be strongly influenced by the coffee bonanza, which will bring in at least $3.2 billion in foreign exchange this year, according to the government's own figures.

But hydrocarbons and coal exports will also be reflected in that increase, as will the increase in the so-called "lesser exports."

The government's maximum projections indicated that the country's total exports would be worth just over $4.65 billion. If the additional $1.6 billion in windfall coffee earnings is added to that, the value of sales abroad exceeds $6 billion.

It is believed that this figure may be lower because of the fall in hydrocarbons prices (exported crude oil and fuel oil) and coal prices as a result of the downward trend in the worldwide prices for these two products.

Coffee will earn the country $3.2 billion; lesser exports will bring in at least $1.6 billion, according to the growth rate projected for them; hydrocarbons will earn approximately $500 million, coal another $300 million, and gold $250 million more.

The most optimistic estimates of the economic team placed foreign sales of coffee alone at $1.8 billion this year. Last year coffee brought in $1.6 billion for the country.

An official report on overall Colombian exports in 1984 indicates that they amounted to $3.173 billion, the highest figure in the last 5 years.

The lesser exports contributed to that increase by climbing 19.2 percent, from $1.144 billion in 1984 to $1.364 billion in 1985, as a result of the series of policies and stimuli the government implemented for these exports.

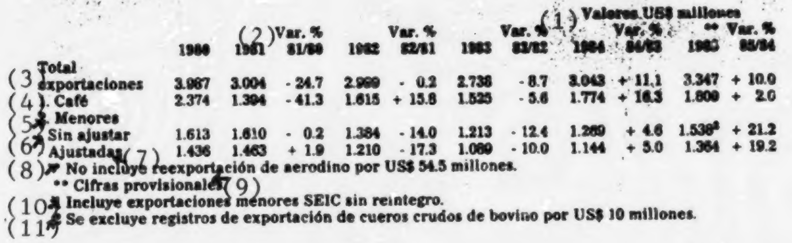
Now, as coffee is driving up foreign exchange earnings substantially, the policy of promoting lesser exports will not be dismantled, but rather will remain in full force.

The performance of overall exports in the country this year will set a historical record, and the increased influx of dollars will also be reflected in more availability of foreign exchange to pay for imports.

For the time being, reimburseable imports, which require drafts to be sent abroad, have been budgeted $3.6 billion. That amount will be raised soon. The initial official figures calculated that imports would reach a maximum value of $4.5 billion in 1986, but that amount will be surpassed by far.

These prospects will also be reflected in the country's balance of trade, which will yield a large surplus after years of deficits. Last year was the first time a positive result had been obtained in this area. For 1986 the government had estimated a surplus of $150 million in the balance of trade, but the coffee windfall will boost that figure much higher.

The following chart, compiled by the Colombian Foreign Trade Institute (INCOMEX), shows the trends in Colombia's overall exports since 1980. As can be seen, in 1980 the total was nearly $4 billion, and that figure was used as a reference point to highlight the increase that took place in 1985:



(1) Valores US$ millones

	1980	1981	(2) Var. % 81/80	1982	Var. % 82/81	1983	Var. % 83/82	1984	Var. % 84/83	** 1985	Var. % 85/84
(3) Total exportaciones	3.987	3.004	- 24.7	2.999	- 0.2	2.738	- 8.7	3.043	+ 11.1	3.347	+ 10.0
(4) Café	2.374	1.394	- 41.3	1.615	+ 15.8	1.525	- 5.6	1.774	+ 16.3	1.809	+ 2.0
(5) Menores											
(6) Sin ajustar	1.613	1.610	- 0.2	1.384	- 14.0	1.213	- 12.4	1.269	+ 4.6	1.538²	+ 21.2
Ajustadas (7)	1.436	1.463	+ 1.9	1.210	- 17.3	1.089	- 10.0	1.144	+ 5.0	1.364	+ 19.2

(8) * No incluye reexportación de aerodino por US$ 54.5 millones.

** Cifras provisionales (9)

(10) 1 Incluye exportaciones menores SEIC sin reintegro.

(11) 2 Se excluye registros de exportación de cueros crudos de bovino por US$ 10 millones.

Key:

1. Value in billions of US$
2. % Change
3. Total Exports
4. Coffee
5. Lesser
6. Not adjusted
7. Adjusted
8. *Does not include reexport of Aerodino for $54.5 million
9. *Provisional figures
10. 1 Includes SEIC lesser exports without rebate
11. 2 Excludes records of raw cowhide exports for $10 million

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CSO: 3348/445

COLOMBIA

GOVERNMENT ANNOUNCES 1986 GOAL OF 5 PERCENT ECONOMIC GROWTH

Bogota EL TIEMPO in Spanish 22 Feb 86 p 8-A

[Text] The government announced yesterday that it has implemented a macroeconomic program aimed at achieving a 5 percent growth rate and an inflation rate no higher than 23 percent in 1986.

This was announced by the chief of national planning, Cesar Vallejo Mejia, at the end of the meeting of the National Council for Economic and Social Policy (CONPES) at the Casa de Narino.

The official added that the program calls for the continuation of the fiscal belt-tightening the government has been practicing in recent years.

Finally, he noted that the program is oriented toward stimulating investment and employment while maintaining monetary discipline so that the money supply will not grow excessively.

"In other words, we foresee an expansion of the economy that will benefit the real sector and will not be cancelled out by merely monetary growth," stated Vallejo Mejia.

On the other hand, Minister of Development Gustavo Castro Guerrero indicated that the unemployment index, which was pegged at 14.7 percent last September, dropped to 13.1 percent this January.

He also explained that in its meeting yesterday CONPES approved the directives that will be followed concerning policies in the industrial and external sectors.

"I can tell you that the measures we have been taking fit within the approved plan, and this is exactly the same one we have been following all along to protect national industry and national labor," asserted the minister.

He explained that it was revealed during yesterday's meeting that the prospects for this year are truly heartening.

Indeed, he noted, one topic of discussion was the survey that the National Association of Industrialists (ANDI) has just conducted throughout its sector.

It revealed that 60 percent of industrialists are satisfied with the results obtained.

Meanwhile, the director of national planning announced that a very rigorous policy of import and export management will be pursued in the external sector, in keeping with the new circumstances. The aim is to continue deregulating capital goods, raw materials and intermediate goods, and to impose strict import controls.

At the same time, luxury imports will be disallowed, and incentives will be provided for exports through the mechanisms the government has already adopted, based on the equilibrium that has been attained in the country.

"In this way," said Vallejo Mejia, "the macro program calls for continuity in the adjustment process, but now with an emphasis and orientation toward growth with stability. That is what the government proposes."

Referring to the coffee boom, the director of planning stated that the revenues obtained from this source will be totaled after a major adjustment in the real prices paid to the coffee grower, bringing his real income back up to what it was in 1980 and guaranteeing him an increase in the domestic price, in keeping with the rate of inflation.

"After guaranteeing these prices and paying off the debt of the National Coffee Fund, the amount that remains depends on what prices do. But it is expected to be about 210 billion pesos, due to the $1.4 billion to $1.5 billion boost in exports," the official stated.

He explained that a third of this share of the coffee windfall will go to the coffee grower himself; another third will be used to bolster the National Coffee Fund; and the final third will also be used to bolster that fund but through soft loans to the national government and the replacement of some public investment funds in the coffee regions.

Vallejc Mejia also stated that the government's social policy strategies this year basically follow the national rehabilitation plan. Investment in agriculture and livestock, education, and health will rise significantly.

He indicated that investment in the latter two areas is expected to amount to 15 billion to 20 billion pesos. "In other programs the investments will be more modest, but they will be geared to the degree of social benefit derived by the different regions of the country," concluded the national director of planning.

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AGRICULTURAL EXPORTS TOTAL $550.3 MILLION IN 1985

Bogota EL SIGLO in Spanish 22 Feb 86 p 10

[Text] Colombia exported a total of 1,569,786 tons of agricultural and livestock products in 1985. This represents a substantial increase over the 1984 figure of 1,376,628 tons.

A report by the Colombian Foreign Trade Institute (INCOMEX) on the performance of exports from the agriculture and livestock sector between January and December of 1985 indicates that the exports were valued at $530,381,000, a 3.8-percent jump over the $511,021,000 figure for the previous period.

The $530.3 million value of agricultural exports was an important component in the total of $3.173 billion, the highest figure in the past 5 years.

In tonnage, the total of the country's lesser exports, including agricultural and livestock, mining, and industrial exports, was 7,608,077 tons.

Products

The same report provides detailed information on trends in the various products. It specifies that banana exports totaled 1,060,212 tons, flowers 57,662 tons, sugar 306,935 tons, short-staple cotton 44,133 tons, long-staple cotton 8,297 tons, black tobacco 12,140 tons, polished rice 67,860 tons, cacao beans 2,922 tons, and lobsters and mollusks 3,186 tons.

Agricultural exports were valued at the following amounts: Bananas $195.2 million, flowers $141.4 million, sugar $38.2 million, short-staple cotton $52.6 million, long-staple cotton $11.3 million, black tobacco $21.9 million, polished rice $24.5 million, cacao beans $6.4 million, and lobsters and mollusks $27.0 million.

The increases are seen in products such as flowers, short-staple cotton, black tobacco, polished rice, and lobsters and mollusks.

The decreases are observed in bananas, sugar, cacao and beef.

Food Plan

The Agriculture Ministry will implement the National System for Quality Control and the Promotion of Agricultural Products in Colombia beginning in the second half of this year. This system falls under the Food Security Plan.

The project will last 5 years, and its cost will be approximately $4 million. It will be coordinated by the Technical Regulation Division of the Agriculture Ministry, through a committee made up of the Colombian Agricultural-Livestock Institute (ICA), the Institute for Development of Renewable Natural Resources (INDERENA), the Agricultural-Livestock Marketing Institute (IDEMA), the Cattlemen's Bank, IIT, Colciencias, the National Association of Industrialists (ANDI), the Health Ministry, and the Secretariats of Health of Bogota and Cundinamarca.

Initially it will cover some pilot zones, and then its coverage will be extended to the whole country. The following products will be involved: grains (unhulled rice and white rice for consumption, sorghum, and corn), fruits (mangoes, papayas, oranges, avocadoes, guayabas, pineapples, melons, and grapes), tubers (potatoes and yucca), oleaginous plants (soybeans), legumes (beans), agroindustrial products (brown sugar loaf, pita fiber, tobacco, cacao, palm oil, cottonseed oil and soybean oil), and oleaginous cakes.

Also included are vegetables such as onions (cabezon and junca or green onions), tomatoes, paprika, and asparagus; animal products such as eggs, beef, honey, leather and milk; and fishing products such as cultured shrimp (raised in captivity), lobsters and fresh fish (not frozen).

In addition to promoting the production of these agricultural and livestock goods in the Foodstuff Center of Bogota (CORABASTOS), studies will be conducted and basic solutions will be sought for the problem of packing and preserving fruits and vegetables. This area is one of the bottlenecks facing the country's agricultural and livestock products.

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COLOMBIA

1985 INDUSTRIAL SECTOR PERFORMANCE GOOD FOR 64.6 PERCENT

Bogota EL TIEMPO in Spanish 23 Feb 86 pp 11-A

[Article by German Navarrete]

[Text] In an initial report on the results of the country's economic development in 1985, businessmen affiliated with the National Association of Industrialists (ANDI) reponded that "the general situation in the industrial sector was good for 64.6 percent of them, all right for 33.3 percent, and bad for 2.1 percent."

The results of the opinion poll, which ANDI released to the presidents of the principal companies, were revealed by the president of the association, Fabio Echeverri Correa. He divulged the information in a speech before the Colombian-German Chamber of Industry and Commerce, in an event that was attended by more than 100 businessmen from both countries.

Echeverri Correa, who warned of the urgent need to provide the necessary means to employ more Colombians, reported that "in the last quarter of 1985, 97,000 jobs were created, while 66,800 people entered the labor market."

Addressing FRG Ambassador Georg Joachim Schlaich, Chamber President Edgar Hosie, and Chamber Manager Helfried Roubicek, who accompanied the presidents of German businesses located in Colombia, Echeverri Correa stated that a recent survey of the country's industrial community revealed the following results in the sector's economic performance:

--The real growth of production between January and September 1985, compared to the same period of 1984, rose to 3.87 percent;

--The real growth estimated for the entire year 1985 was 5.00 percent; and

--The decline in employment between January and September 1985, compared to the previous year, was less than 1 percent.

Causes of Good Results

Explaining the reasons for the industrial sector's good performance in 1985, Echeverri Correa stated that it was made possible by the restrictions imposed on imports, which enabled national industry to move ahead; the control of smuggling; the increase in Colombian industrial exports; and the reorientation of public spending.

"The improved results in the industrial opinion poll conducted by ANDI provided indicators that revealed the positive development of the industrial sector in 1985. Industrialists described the situation as follows: good, 64.6 percent; all right, 33.3 percent; bad, 2.1 percent."

The sales quotas for 1985 were met as follows, according to the same poll:

1. 27.5 percent of the respondents exceeded their sales quotas for the year;
2. 38.8 percent met between 91 and 100 percent of their sales quotas;
3. 13.3 percent managed to meet 81 to 90 percent of their sales quotas; and
4. 20 percent met less than 80 percent of their sales quotas.

73% of Installed Capacity Used

In showing how inventories of finished goods ended up, the ANDI survey revealed that as of the end of 1985, they were in the following state: high for 23.9 percent of the respondents, normal for 49.3 percent, and low for 26.8 percent.

"The utilization of installed capacity was approximately 73 percent," stated Echeverri Correa.

Turnover in 1985 was rated as follows: good for 63.9 percent of the industrialists, all right for 27.8 percent, and bad for 8.3 percent.

The primary problems that impeded the normal development of the country's industrial activity as of 1985, finally, were the following:

1. Working capital, for 12.9 percent of the industrialists;
2. Demand, for 12.9 percent;
3. Financial costs, for 10.8 percent;
4. Supply of raw materials (national and foreign), 8.6 percent;
5. Costs of components, 7.9 percent;
6. Price controls, 7.2 percent;
7. Imports of equipment and records, 5.6 percent.

Of the industrialists polled by ANDI, 10.1 percent claimed not to have any problems, and 2.4 percent said they had a variety of problems.

The aspects cited by ANDI as most indicative of the national economic situation in 1985 are listed below:

--Inflation was 4 points higher than in 1984;

--The growth in the price index for foods was 62 percent;

--The government was "on target" in its goal for inflation, which had been projected at 22 percent in early 1985. This was achieved, however, largely by implementing price controls on a wide range of products, and that in turn affected the profitability of businesses;

--In the first months of the year, food prices soared to the point that inflation hovered around 18 percent in the first 6 months of the year; and

--With the entry of products harvested in the latter 6 months of the year and the government's attainment of self-sufficiency on the domestic market with food imports, the rate of price increases was slowed.

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ECOPETROL PRESIDENT ON INVESTMENT PROGRAM, EXPLORATION

Bogota EL TIEMPO in Spanish 24 Feb 86 p 2-B

[Excerpt] The Colombian Petroleum Enterprise (ECOPETROL) will operate with an overall investment budget of 96 billion pesos in the petroleum sector, revealed ECOPETROL President Alfredo Carvajal Sinisterra.

He also reported that Colombia is saving US $1.50 per barrel on its crude purchases from the oil companies operating in the country, due to the government's recent decision to change the CIF price to FOB. The annual savings resulting from this move will be more than $64 million per year, approximately.

Carvajal Sinisterra told EL TIEMPO that Colombia's proven and recoverable reserves amount to 1.3 billion barrels, which is enough to meet the nation's demand for the next 14 years. In 1985 those reserves expanded by 200 million barrels as a result of new discoveries.

The president of ECOPETROL indicated that bidding for construction of the central pipeline in Los Llanos was called off, but soon another call for bids will be issued.

Sixty-six percent of the 96 billion pesos budgeted for investment will be earmarked for all of ECOPETROL's activities except for the Cano Limon project, which will account for the rest. Investment in that project is shared with the Occidental company of the United States.

ECOPETROL this year will drill 10 exploratory wells in Los Llanos Orientales and Putumayo. One of them will be in the block called Rio-L near Cano Limon, where ECOPETROL has great hopes. This area is across the border from the La Victoria deposits in Venezuela.

Carvajal Sinisterra declined to reveal the size of the reserves discovered in the most recent wells in 1985, which have significant potential. They are ECOPETROL's Guatiquia, which yielded 2,365 barrels per day; Santiago-IV of the Lasmo firm, with 2,690 barrels per day from the test well; and Cano Puya, of Occidental, with 1,373 barrels per day. The crude obtained from these wells is between 22 and 29 degrees API.

Decline in Prices

The official stated that the fall in foreign prices has a minimal effect on Colombia, because it is not selling much oil. Nor has the situation had much impact on interest in prospecting in Colombia.

On the contrary, next Monday three new partnership contracts will be signed. ECOPETROL expects to drill 80 exploratory wells through the partnership system. Nonetheless, its president asserted that if oil prices continue to deteriorate in the long term, there is no doubt that this situation will discourage exploratory activity, not only in Colombia but throughout the world.

As for self-sufficiency, he made it clear that a distinction must be made: The country has indeed regained its self-sufficiency, but ECOPETROL has not, since it must continue buying petroleum.

Colombia has not imported a single barrel of crude oil since last December. But it must continue importing gasoline, because the country's refining capacity is inadequate. Refinery expansions are being planned, however, and self-sufficiency should be achieved in 2 years.

The purchases are offset by fuel oil exports, although the price of this fuel fell to $13 per barrel. This is supplemented by the crude oil exports that the country has already begun.

Carvajal Sinisterra disagreed with the label "bonanza" to describe the oil situation. "We are modest producers," he said, and indicated that this year the country will save $500 million on crude imports.

Venezuela to Refine

He noted that Venezuela may be the country that will refine part of the petroleum produced by Colombia. This process could take place on Venezuelan territory or in the Caribbean. At present Venezuela is managing the Shell refinery in Curacao, he indicated.

The oil that will be sent abroad for refining will come either from Orito (to be transported through Panama) or from Cano Limon. Given the transportation facilities provided by the pipeline, the latter is the likely choice.

Carvajal stated that the enterprise's long-term debt rose slightly last year. It closed the year at $430 million, compared with $363.4 million in 1984. The long-term debt, on the other hand [as published], was high: In 1985 it amounted to $230.3 million, as opposed to $159.1 million in 1984. This indebtedness grew as a result of the losses, the subsidies, the devaluation, and other factors. The real long-term indebtedness will show up this year, when the "jumbo" credit comes in. ECOPETROL's share of that loan will be $200 million. Another factor will be the loans taken out to finance the Cano Limon-Covenas pipeline, which has been undertaken through the "turnkey" system. For this reason, these loans have not been reflected in the statistics until this year.

He stated that it is impossible to cut domestic gasoline prices as foreign prices decline. The price of that commodity is still lower in Colombia than in most other countries.

The rise in prices in December represented 28 billion pesos in new income for ECOPETROL. A portion that has not yet been determined will go to Resurgir.

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CSO: 3348/446

GOVERNMENT PLANS FOR USE OF JUMBO CREDIT, COFFEE EARNINGS

Bogota EL SIGLO in Spanish 28 Feb 86 p 9

[Article by Raul Rodriguez]

[Text] Colombia expects to receive US $2.660 billion in external resources this year from disbursements on international loans, including the $515 million from the famous "jumbo" credit. Not all of the funds from that credit will be used, however; the money will be spent only as dictated by the country's real financing needs, taking into account the exchange effects of the coffee bonanza.

"With regard to capital movements, net external financing of $1.2 billion is expected in 1986, of which $950 million comprises net credit for the public sector. Disbursements of $2.600 billion are expected, including the $515 million jumbo credit. Principal payments will amount to more than $800 million, and payments on short-term liabilities will total about $900 million," states the macroeconomic plan that the government has just approved.

Consequently, the Monetary Board has just expanded the foreign exchange budget, which is used to cover external payments other than those for imports. The government has also readjusted, however, and the budget for financing imports will rise slightly more, considering the favorable international reserves situation and the development of the policy of gradually deregulating imports.

As for the balance of services, the government says in its analysis and projections of this indicator that its performance will be determined by financial services, whose deficit will swell by $70 million this year. "The cause of this deterioration is the interest payments by the public sector. The behavior of the balance of services counteracts the surplus achieved in the balance of trade, and is the source of the current account deficit that is expected to continue for the next few years."

The government, through the Finance Ministry and the statement by the chief of national planning on Wednesday, has made it clear that despite the coffee bonanza and the millions of dollars in foreign exchange that will result, Colombia will still need foreign credit. The amounts of the disbursements, however, are expected to be less than those projected until last year, so of the jumbo credit that was contracted last year with a pool of international private banks for just over $1 billion, only $515 million will actually be used in 1986. The first payment is expected to be received in the next few days, and the funds will be used to finance the final portions of the El Cerrejon mining project and the oil exploration and drilling plans.

The remaining projects and programs that were originally going to be financed with part of that jumbo loan may be speeded up, using revenues generated by the coffee bonanza.

Imports

Regarding the repercussions that the bonanza and the greater availability of foreign exchange will have on import policy, the government explains the situation as follows:

"The increased foreign exchange income will facilitate a gradual and selective policy of import liberalization, which will account for 13 percent of the GDP in 1986, excluding petroleum, compared with 12.3 percent in 1985. This new opening is assured by the fact that there are enough foreign reserves to finance up to 8 months of imports, compared with 5 months in 1984."

The plan goes on to state that the prospects for exports for the rest of the decade indicate that the structural change that has been taking place over the past 5 years will become consolidated. Although coffee, thanks to the bonanza, will account for 54 percent of all exports in 1986, in general terms the composition of foreign sales is shifting toward energy exports.

The government's goal is to bring lesser exports up to 30 percent of the total in the medium term, while coffee, along with petroleum and coal, will continue to bolster the upsurge in Colombian exports.

Now, as the government is negotiating with the World Bank to obtain a new loan for more than $200 million (all of which will be funneled into the agriculture and livestock sector), it has also agreed to proceed with the gradual elimination of the restrictions it has imposed on imports over the last 2 years.

This week, however, Development Minister Gustavo Castro Guerrero clarified that at no time has the government considered dismantling its policy of protecting national industry and labor, and that the strategy of deregulating imports covers raw materials, components and capital goods that are indispensable to the country's productive sectors. It does not mean that goods classified as luxury items or other products manufactured in this country can be imported more easily.

According to the projections for income in the form of foreign credit extended to the government, this year more dollars will leave the country than will enter in credit transactions, given that the payments to service the foreign debt, including both principal and interest payments, will exceed the funds coming in from creditors, including disbursements on loans obtained from both multilaterial organizations and foreign private banks. The effect on the exchange balance, however, will not be so great, given that the positive impact of the trade surplus that is expected to result from coffee exports and new sales of coal and petroleum abroad will be greater yet.

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CSO: 3348/446

BETANCUR ANNOUNCES AGRICULTURAL PRODUCTION MEASURES

PA211602 Bogota EL TIEMPO in Spanish 19 Mar 86 pp 1-A, 1-C

[Excerpts] Yesterday President Belisario Betancur announced an offensive in favor of agricultural production which will lead to a promotion of industry and employment as a result of the stability of prices and the foreign currency savings. He also proposed that the Cattle Bank return to the country the investments it has abroad.

Among the main announcements, President Betancur stressed the following:

"A. A 75 percent reduction in the rates charged by COLPUERTOS [Colombian Ports Enterprise] for the unloading and handling of fertilizers, urea, pesticides, and seed in both public and private docks through a mechanism that is now being studied: the current rate is $28 per ton at public docks and $22 at private docks; the new maximum rate will be $10, which is equivalent to an average reduction of 2,700 pesos per ton.

"B. Taking advantage of the drop in the international prices of urea, the Agrarian Bank will reduce its domestic price by 2,400 pesos per ton effective this week.

"C. Making use of the flexibility that the law gives the government with regard to tariffs, this week there will be reduction in the customs tariffs on various products of interest to the agricultural sector.

"The fiscal cost of these measures--the reduction of tariffs--will be equivalent to 2 billion pesos per year.

"D. In addition to this reduction, the cost of importing equipment such as irrigation pumps, agrochemical sprayers, sowers, harvesters, and plows and discs will be reduced by totally exempting them from import duties. This demonstrates that the dollars obtained from the coffee bonanza will not be spent on luxury items, but on the capitalization and modernization of agriculture.

"E. In order to continue the elimination of the factors which increase agricultural production costs and which have already fulfilled their stabilizing function, the deposits required formerly to import fertilizers, pesticides, and farm machinery will be eliminated.

"Another area of action is that of the agricultural credits. Law 21 of 1985 was recently regulated. Through it, lines of credit were established for marketing and agroindustry in the agricultural financial fund. The government has already allocated 2.5 billion pesos to finance those new lines to which only agricultural cooperatives and associations will have access.

"To complete the development of Law 21, a guarantee fund will be established for the users of the agricultural financial fund which will serve as guarantor for the farmers and cattlemen."

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CSO: 3348/467

COMPTROLLER GENERAL'S OFFICE ANALYZES 1986 BUDGET

PA112138 Bogota EL SIGLO in Spanish 4 Mar 86 p 9

[Article by Raul Rodriguez; all figures as published]

[Text] Despite the positive results obtained by Colombia this year in its process of fiscal adjustment, the government will have to keep on with its austerity policy, a plan that is going to affect public investment.

Even if the state's revenues are going to be higher this year, investment is not going to show any real increase because most of the budget money will go to pay the interest on the foreign debt, mainly the country's foreign debt, because of the impact of the major devaluation in 1985, and because the deadlines to make payments on the capital expired.

According to the figures released by the Comptroller General's Office, based on its first analysis of this year's budget, the money to finance investments will be 138.79 billion pesos, which is 35.4 percent less than in 1985; the money to pay the interest on domestic and foreign debts in 1986 will be 170.7 billion, 88.7 percent more than last year.

The Comptroller General's Office later says that the sum assigned to pay the interest is not enough, because of the new deadlines to make payments, the international interest rate increase, and the devaluation percentage being estimated for this year.

Based on these estimates, the Comptroller General's Office says that the amount to be paid for interest this year is going to be 22.02 billion pesos more than the original estimate. Therefore, this year Colombia will use 201.512 billion pesos of its budget to meet these obligations, distributed in the following manner: 135.5 billion pesos for interest and capital on foreign loans; 26.29 billion to make payments on the foreign debt; and the remaining 39.722 billion to cancel the 1984 fiscal deficit.

This means that foreign and domestic debts are taking a larger portion of the budget each year, that public investment is going to be affected. The fact remains that although operational expenses have been reduced, thanks to the government's austerity policy, it still takes more than 60 percent of the state's total resources.

As a result of the coffee bonanza, there will be a new resource which should help reduce the country's foreign debt and also the burdensome obligation that the payment of interest and capital represents every year. The National Federation of Colombian Coffee Growers should pay its foreign debt, which is approximately $390 million, and using part of the bonanza surplus, the public services enterprises can also lower their indebtedness.

From the nation's budget original total amount for this year, 60.3 percent represents the percentage of the cost of operational expenses, which is 510.7 billion pesos; 18.4 percent, which is 155.47 billion, for public investment; 20.7 percent, which is 201.51 billion, to pay the debt interest; and 0.7 percent, which represents 5.64 billion, for regional expenses.

At the same time, this distribution shows the causes of the country's budget and fiscal problems because the government is forced to allocate a larger sum of its resources to finance the expenditures stemming from the state bureaucracy and to pay large amounts for servicing the public debt. Meanwhile, public investment is the sector that is sacrificed and upon which the austerity policy is implemented.

Thanks to this austerity, the operational expenses have slightly decreased within the total budget in recent years, from 63.3 percent in 1983 to 60.3 percent in 1986. However, the reduction has been greater in public investment, which went down from 24.7 percent to 18.4 percent this year. Meanwhile, servicing the internal and external public debt rose from 7 percent in 1983 to more than 16 percent in 1986.

Within the operational expenses, the central administration's transfers to the decentralized institutions stand out. These have been using a greater percentage of those resources to cover their operating expenses.

Despite the government and the congress' efforts to find the means to prevent an exaggerated increase in these transfers--which are the major cause of the deficit in the national accounts--a large part of the national budget will have to continue to be allocated this year and in coming years to those decentralized institutions.

In any case, the austerity policy has helped so that the initial allocation in the 1986 budget for those transfers has been reduced by 10 percent from 1985 and totals 231.01 billion pesos.

The Comptroller General's Office reports that the biggest sum in the transfers is for the operation of the decentralized institutions. This totals 103.87 billion pesos. This is followed by 88.78 billion in fiscal allocations for health and education, and 49.01 billion pesos from the transfer of the sales tax revenue.

In this way, the government, through a lesser increase in operational expenses, real drops in the investment budgets, and using resources produced by the coffee bonanza, hopes to complete this year the fiscal adjustment process it began with measures to increase revenue. It now hopes to achieve effective advances in the public expenditure sector.

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COLOMBIA

BRIEFS

COST OF LIVING RISE--The Consumer Price Index rose by 3.2 percent in February, continuing the high levels recorded in the first month of 1986, when the index reached 3.15 percent. EL ESPECTADOR has learned that food prices and the category known as "miscellaneous" once again had an alarming impact on the inflation rate in February. Other major factors were the cost of tuition and board at schools and universities, text books, and clothing for children and adults. In view of the high cost of living, the government has begun to devise a variety of strategies to hold down price increases. The possibility of importing trucks and tractors is being considered, so that the high cost of transportation will not constitute such a major share of the final prices of goods. The Monetary Board will implement controls to prevent the excessive growth of the money supply, that is, the amount of money in the hands of the public. It will also review all monetary projections that have been made for this year in order to adjust them to the coffee export earnings, estimated at more than US $3.2 billion. It will be recalled that the family food basket measures the changes in the prices of a fixed set of consumer goods from one month to the next. This basket is made up of an average of 232 goods, divided into the categories of food, housing, clothing, and miscellaneous, according to the survey of income and expenditures conducted by the National Administrative Department of Statistics (DANE). [Text] [Bogota EL ESPECTADOR in Spanish 27 Feb 86 p 11-A] 8926

CSO: 3348/446

CUBA

PRESBYTERIAN MINISTER ON BETTO BOOK, STATE POLICY TOWARD CHURCH

Havana BOHEMIA in Spanish No 2 10 Jan 86 pp 39-40

[Interview with Rev Hector Mendez by Arturo Chang; date and place not given]

[Text] (AIN)--Sancti Spiritus, which in Latin means holy ghost, is the name of the capital of the Cuban province of the same name situated in the south central part of the country. There Rev Hector Mendez, the president of the Presbyterian Reform Church of Cuba (IPRC) and a member of the Latin American Council of Churches (CLAI) exercises his ministry.

The pastor was kind enough to answer a questionnaire the National Information Agency presented to him on the subject of Brazilian priest Frei Betto's book, "Fidel and Religion."

[Question] From the theoretical and practical point of view, what does this work mean?

[Answer] This book will constitute a constant resource which, while we cannot perhaps imagine it, will be a basic element for anyone who intends or wishes to discuss these issues, so necessary that believers as well as nonbelievers deal with them.

Any revolutionary or person with progressive ideas in Latin America, anyone who simply aspires to have a commitment to his people's struggle of necessity has to be familiar with the contents of this book because it is going to strengthen unity, which also means strengthening the struggle.

The book is going to have a very positive influence because it is the first time a statesman of the caliber of Fidel Castro has focused directly on this issue and has clarified many points that perhaps lend themselves to doubts and confusion, not so much in our country as abroad. We believe that the leader of the Cuban Revolution perfectly defines these standards.

Commander in Chief Fidel Castro, who is a teacher par excellence, a real teacher, sets us an example for everyone in discussing frankly and honestly the problems of religion and believers and their participation in the Latin American process, in the revolution, which will help everyone to better understand our revolutionary process, revolutionaries as well as believers and nonbelievers.

[Question] In the particular case of your church, how do you expect this book will influence believers?

[Answer] The influence is going to be positive. Over the years we have raised many of these issues and we are glad tht Commander Fidel Castro has publicly spoken about them, although some issues had been raised on previous occasions on his trips to Chile, Jamaica and Nicaragua and on that of Rev Jesse Jackson's visit to Cuba.

To systematically discuss it now, it seems to us that it is fundamental for us to help particularly believers of the Presbyterian Reform Church of Cuba to better understand the workings of our revolution. We believe that they may understand in practice, but that, as far as theory is concerned, it is a formidable endeavor to help people to understand, to reach an understanding of what our life is like in a socialist country like Cuba, a country that is in a constant state of revolution.

[Question] In the book the theology of liberation is raised. What is your church's position and that of the CLAI in connection with this?

[Answer] The theology of liberation has had a great impact on us and we believe that it is playing a very important role in Latin America. This is why the CLAI has always viewed it with respect. Of course, an international organization of this type never affiliates itself with any given theological current of thought, but we can say that there is great respect and a great predilection for the theology of liberation, not so much a theoretical predilection (it has that too), but a practical one because of the fact that it is an instrument that is in daily use in Latin America by believers to implement everything they do in their commitment to the peoples' struggle.

Perhaps for us in Cuba it has not had so great an impact due to the fact that we live in a country in which -- and it is very important that we say this -- many of the problems raised by the theology of liberation have already been solved.

For the Presbyterian Church of Cuba as well as for the CLAI, for any organization that is interested in serving not only believers, but the people of Latin America in general, the theology of liberation is a necessary instrument and at the same time a true appeal to all Christian sectors immersed in struggles for liberation.

[Question] In your estimation, what is moreimportant for a person today: to clarify his ideas about religious faith or to adopt a consistent position on current problems?

[Answer] Between two poor men, one a believer and the other not, the most important thing is to recognize that they belong to the same group or social class, the poor, exploited people of Latin America and for whom we at no time should have dealt with the problem of religion as the fundamental one. For them at the present time, the fundamental problem is to unite their forces in the search for a better world. The other problem -- an ideological one, if you will -- the problem of faith, is an issue that can be dealt with when it arises without prejudice to the unitarian way of doing things, which must come first.

It seems to us to be much more important for the exploited people of this continent to have a clear idea of the fact that they are exploited, that they must join forces to achieve real liberation. This is more fundamental than entering into discussions for which there will be a time and a place and which, properly approached, can never result in gaps between believers and nonbelievers, but will instead strengthen the relation, the frankness, the camaraderie and the readiness to serve and aid one another mutually and will better serve our peoples.

[Question] Getting back to the book, what conclusions do you draw from the fact that everyone in Cuba has been so eagerly waiting for it?

[Answer] It has been so eagerly awaited in Cuba and outside of Cuba due to the fact that people are always eager to hear the judgments and opinions of a leader as respected and important as Commander Fidel Castro, in this case, on an issue that has been so manipulated, so maliciously exploited through imperialist propaganda and which has been used by the enemies of the Cuban Revolution and the liberation of our peoples.

It is quite important for us to make it clear once and for all that revolutionary Christians and Marxists can work together for a goal, for our peoples to have a better life. Actually, working together for social improvement is an objective that unites Christians and Marxists, This is why it seems to me that the book has been so eagerly awaited.

This book is going to cover a whole era in its examination of believers, religion and at the same time the important role believers have in Latin America.

[Question] Your trips through Latin America have given you an opportunity to have contacts with many believers in the region. How do they view Cuba? How do you think they will receive the book?

[Answer] We traveled frequently in Latin America owing to our responsibilities in the domain of youth ecumenicism until recently and at present in connection with the CLAI and, judging from our contacts with thousands of believers, we know that their view of Cuba is often based on the mass communications media, which distort the truth about Cuba.

Many people who are honorable, honest and genuine in their faith and in their dedication to the struggle for popular causes have an erroneous idea of our country, but react positively when we explain the truth to them.

We think the believers with whom we have had contact in Latin America are people who are open to Cuba, often misinformed. But when they are properly informed, they generally become true friends of our country and defenders of the Cuban Revolution and the justness of its actions.

This is why the book will be well received by them.

[Question] The Cuban Revolution has been accused of being opposed to religion. Have you at any time felt this to be so? If it was, what produced the change of attitude? If you felt differently about the matter, what led you to do so?

[Answer] We have not viewed the revolution as an enemy. Historically, there have been tensions and times during which they were greater. However, the revolutionary government was careful not to unleash a campaign against religion. No church has been closed down here: I have been serving as pastor for 20 years and I have never been forbidden to preach or carry out my pastoral work or been prevented from doing so, not even among young people and children.

There were tense moments at the start of the revolution, for which there is a historical explanation, precisely because of their negative attitude, for the lack of understanding of the Christian segments, especially those who belong to the upper classes of the society, the ruling classes, which were not happy with the revolution. Not because the revolution was believing or not, but because it was damaging their personal interests with regulations and laws.

A lack of understanding was produced on both sides. Great efforts were made in those days and we believe that they have produced positive results. It has been a long time since there were relations of understanding, harmony and respect between the church and the state.

[Question] Has your church been bothered by the revolutionary governnment. Are your faithful persecuted? Are they deprived of their rights? We would be grateful to you if you would reply with concrete examples.

[Answer] There have been times and specific cases in the course of the revolutionary process when they have been -- I don't like the word -- "discriminated against," but certainly a bit deprived of their rights. I would say that this is the fault not only of the revolutionary government, but also of the faithful, we who often haven't known how to occupy our role, our position beside the people. And this had the natural consequence that at one time people automatically thought that a believer was not a person to be trusted.

When many believers betrayed the revolution, they left the country and, when many religious technicians and professional people abandoned the country in its time of greatest need, it made some people think that all believers were the same, that they could not be trusted very much.

On the other hand, sometimes people do not understand us believers and that we have to maintain our opinion that we are believers and at the same time revolutionaries.

It seems to us that there have been cases but, each time we have complained to the government, the leaders of the revolutionary government, the party, the issue has been resolved. This is why we may well say that we have had cases of believers who have been deprived of their rights, perhaps through ignorance, apathy or negligence but, when we have complained, the issue has been resolved. We hope that there will not be situations of this type, but we are explaining that there is a historical basis for this.

[Question] Are you offended because in classical Marxist literature they say that religion is the opiate of the people?

[Answer] To be honest, in the early days of the revolution we were a bit offended, perhaps because of our immaturity, by some Marxist statements about religion. However, the person who first used the statement that religion is the opiate of the people was a Christian, just as was the author of "he who does not work does not eat," which appears in the Bible, uttered by the apostle, Saint Paul.

We believe that religion is the opiate of the people when it turns into someting aimed at calming or neutralizing the fighting spirit of the people; then it is like a drug that puts you to sleep.

The theology of liberation expresses a kind of religion, of Christian faith that troubles the enemies of the people because it does not put them to sleep, but awakens them. This is why we believe that, when it is misinterpreted, misunderstood and directed, religion is an opiate. We therefore struggle to see to it that it is not misinterpreted, not poorly applied, but that the Christian faith may become not an opiate, but an awakener, a stimulus for believers to become involved with nonbelievers, with everyone, in a united fashion on behalf of the causes of our peoples.

[Question] What message do you wish to send the believers and nonbelievers of Latin America?

[Answer] The message can be reduced to one word: unity! We believe that believers and nonbelievers must march united, that on this continent where there are huge problems, like the foreign debt, illiteracy and unemployment, we cannot afford to get involved in fights -- because that is senseless -- or sterile discussions -- because they sometimes lead to nothing. It seems to us that now is the time for unity between believers and nonbelievers, all of us united for a common ideal: the repossession of our peoples, the ultimate liberation.

This is the message of the moment, which is a time for taking stock of the situation and for a united march and, as Allende said: We hope that new avenues along which we will make the transition into the future will open for this continent.

11,466
CSO: 3248/244

BACKGROUND TO JANUARY COUP IN LESOTHO DISCUSSED

Havana BOHEMIA in Spanish No 5, 31 Jan 86 pp 72-73

[Article by Juan Sanchez]

[Text] In order to explain what has just happened in the little kingdom of Lesotho -- until yesterday, as it were, one of the anti-apartheid governments and today a tense protagonist in a forced subordination to the South African racists -- we must take into account reasons of an internal nature and others of an external nature. In both cases the presence of South Africa must be taken to be the axis about which the entire political and socioeconomic evolution of this little country with scarcely a million and a half inhabitants, nicknamed the "roof of Africa" due to the fact that it is the only country situated throughout its expanse at over 1,000 meters above sea level, has had to turn these past few years.

Historically, Lesotho has always been the weakest link in the chain of independent states in Southern Africa. It can have escaped no one's notice that its stance of open support for the struggle for liberation in the region, its position of rejection of apartheid and, consequently, its progressive role in the United Nations, the OAU and the Nonaligned Countries Movement have been thorns in the side of South Africa. Despite its almost total dependence on South African economic interests -- suppliers of food, medicines, fuel and owners of all of its little neighbor's hotel and tourist facilities -- the Maseru government, headed for some 20 years by recently deposed Prime Minister Leabua Jonathan, had assumed a principled position in favor of Africans and of refugees in particular -- one of the continent's hidden and heart-breaking tragedies. It also maintained an open-door policy despite its diminutive geographical size and material poverty. According to UN data, Lesotho harbors some 11,500 refugees. This fact has earned it the malignant ill will of South Africa, very annoyed by the nickname of "refugee nation" applied to Lesotho in African political circles.

These principled positions were maintained by Prime Minister Jonathan until the bloodless coup that deposed him last 20 February. King Moshoeshoe II, who as chief of state inherited the tradition of resistance from his predecessor who in the past century led the struggle in the mountains against the attacks of the racist white colonists who attempted to "capture" fugitive black workers, has also pursued this policy. That is to say that in Lesotho there has been a strong historical tradition of solidarity with their African brothers who are fighting for liberation.

Now opposed to this tradition is the other reality of its tremendous economic dependence on South Africa. Let us cite a few examples: The only big company in Lesotho is the South African De Beers Company, which specializes in diamond mining. Most of the goods sold in local stores come from the Republic of South Africa. Almost 150 Basutos work in mines and on farms in the neighboring racist country. This figure represents more than half of Lesotho's active male population, which means that the country's proletariat is being trained to be emigrants who work under contract in quarries and mines, on railroads and for industrial firms in South Africa. The difference being that there they are "workers," while, when they return to their homeland, they become farmers. Unemployment in Lesotho affects 40 percent of the active population. This dramatic reality is turning it into a "repository" of cheap labor for the South Africans' economy. All the hotels are controlled by the South African "Holiday" chain and in a country in which income from tourism accounts for a considerable portion of the budget, we can imagine what this industry represents in the hands of the South African whites.

This nearly absolute dependence has enabled the Pretoria regime "to twist Lesotho's arm" on more than one occasion. Actually, the economic blockade imposed on it by the South Africans since last 1 January has not been the first, far from it. Only this time it lasted long enough to create a critical situation, a really extremely difficult one for Prime Minister Jonathan's government. Practically speaking, the country was brought to the verge of collapse since, shortly before the military coup, it had scarcely enough goods and fuel to "survive" for a few days. The situation had reached the point where the Maseru government appealed to the United States and Great Britain (South Africa's big political and economic buddies) to intervene in the problem. But in both Washington and London they pretended to be as deaf as stones. In the final analysis, Lesotho was not a state that was compatible with the strategy they maintain for the region.

In the midst of this situation the military coup was produced by those factions which, even within the ruling party -- the National Party of Basutoland (PNB) -- supported the policy of "improving" relations with South Africa. Reactionary stances came to be the decisive ones during the last few weeks in the context of the fierce economic blockade imposed by Pretoria and they in fact coincided with those of the opposition to Jonathan which demanded full collaboration with the racist regime.

It is worth noting that in the final analysis both parties represented the lower middle class and interpreted its contradictory interests: some patriotic and nationalistic in nature and others capitulatory and reactionary. These latter interests won out in the end in the ruling party and then the military moved into the foreground, assuming the leading and decisive role in the game of precarious balance. The new government in Maseru appears to be headed by Gen Justin Lekhanye, whom Western news sources describe as "moderate" and "conservative."

After the coup, the top racist diplomat, Roelof F. Botha, immediately declared that his country "would favorably regard any reduction in tension with Lesotho." So, it is to be expected that the new military government in Maseru will institute a "change" of policy with respect to South Africa, the anti-apartheid struggle and the support they have been lending the struggle for liberation in the region. Once these foundations have been laid, it is possible that they will after a while call for "elections" and place at the head of the government a civilian -- a "politician," as the military who participated in the coup say -- with the intention of trying to ease the negative repercussions the barefaced intervention of the South Africans might result in inside and outside the country.

The military coup in Lesotho will not change anything as far as the internal situation in the bastion of apartheid is concerned. The reason for the climate of rebellion that is characteristic of this oppressed people at this time and which disturbs the racist regime is not to be found outside the country, that is, in the independent countries of the region, but in the very system of brutal exploitation of and discrimination against the majority of the population of South Africa. As we can understand, the current crisis, which disturbs the racist regime, is the result of this oppression and the change in course produced in Lesotho will have its repercussions, not weakening -- as Pretoria hopes it will -- but more likely strengthening relations with the other countries in the region and bringing them even closer to one another.

11,466
CSO: 3248/244

BRIEFS

COOPERATION AGREEMENTS WITH EGYPT--Mexico and Egypt have signed cooperation agreements covering commerce, industry, finance, communications, tourism, and transportation. Joint investments in industry and agriculture will also be made. These agreements will become effective on the date agreed upon through diplomatic channels. [Summary] [Mexico City EL NACIONAL in Spanish 19 Feb 86 p 3 PA] /9365

AGREEMENT WITH BRITISH AEROSPACE--British Aerospace, and the Commerce and Industrial Development Secretariat, have signed an agreement for the establishment of a branch of that aeronautical company in Mexico. Mexican authorities are considering the possibility of manufacturing airplane parts in Mexico to serve the internal market as well as for export. No direct investment will be made for the time being: however, the British firm will finance a feasibility study to this end. [Summary] [Mexico City EL NACIONAL in Spanish 19 Feb p 3 PA] /9365

CSO: 3248/277

PARAGUAY

BRAZILIAN PAPER VIEWS PARAGUAY UNDER PRESIDENT STROESSNER

Brazil VEJA in Portuguese 12 Feb 1986 pp 28-29

[Article by Nely Caixeta]

[Text] Maria Lucia Hiriat de Pinochet, wife of Chilean President Augusto Pinochet, arrived a few months ago in Asuncion, capital of Paraguay, in search of a house to purchase. Her interest in the local real estate market has generated suspicions that Pinochet, buffeted by increasing internal opposition to his regime, is now looking for refuge in case he should be deposed. There would be nothing more logical than to choose Paraguay for his eventual exile--after all, the late dictator of Nicaragua, Anastasio Somoza, was warmly received in Asuncion after having been deposed by the Sandinistas in 1979. Governed for almost 32 years by President Alfredo Stroessner, Paraguay is today, along with Chile and Surinam, one of the last holdouts of authoritarianism in South America. Surrounded by democracies, it is the only country on the continent capable of hosting Pinochet without hesitation.

In spite of some signs of political effervescence and the divisions detected recently at the highest levels of the regime--which many Paraguayans attribute to the democratic breeze blowing over neighboring countries--Stroessner, at 73, continues as absolute master of the destiny of Paraguay. In the beginning of this year, the country was shaken by disturbances which included the diversion by authorities in the regime of a billion dollars, and internal shocks by groups already fighting over succession of the president. But Stroessner's word is still law in Paraguay. Any dissident group is immediately repressed. A few days ago, leaders of the Colorado Popular Movement (MOPOCO), a wing which broke with the official Colorado party 26 years ago, were beaten by officials of the political police--the DIPC, Department of Investigations of Central Police--when they began a meeting in a house belonging to one of them, in Asuncion. Since they returned to Paraguay 2 years ago, after a forced exile of 2 and a half decades in Argentina, these opposition politicians have been continuously watched. Meetings of more than three of them at a time are prohibited. "We lived in external exile, but now we are confronting an even more difficult situation--internal exile," complained Waldino Ramon Lovera, president of MOPOCO.

Stolen Cars

Lovera is one of the founders of the so-called National Accord--a plan of gradual redemocratization worked out together with other illegal opposition parties. A few weeks ago, the Catholic Church agreed to serve as mediator in negotiations undertaken with the government. Until now, however, signs are that Stroessner is not interested in those types of talks. For the government, the situation appears to be fine as it is. Corruption, which in the last 3 decades has turned out to be one of the supporting pillars of the regime, continues to feed enormous fortunes. Contraband is responsible today for two-thirds of total trade in the country.

Twice a year local authorities end up offering, indirectly, an important incentive to Brazilian car thieves who sell their wares in Paraguay. Thanks to a legal artifice called "laundering," the owners of stolen vehicles can legalize the documentation of their cars by simply paying a tax. The Paraguayan government, which censures and shuts down newspapers, also steals books and notebooks of foreign journalists who visit the country. Over the last few decades, the average Paraguayan has learned to live with other rules. The first, for anyone who wants to advance, is to become affiliated with the Colorado party, which numbers within its ranks almost 35 percent of the country's 3.5 million inhabitants.

To be hired for any public position, it is necessary to fulfill that requirement, obligatory even for the police and those aspiring to positions in the armed forces. Another rule is never to speak with foreigners. The Colorado party maintains an efficient network of informants, the pyragues--rabbitfeet, in Guarani--who infiltrate schools, offices, and above all the ranks of taxi-drivers.

Unostentatious

Even Stroessner's fiercest adversaries acknowledge the ease with which he has managed to position himself in power practically without opposition. This was due in part to the democratic facade which his regime has always presented. With the exception of a short interval in 1959, the Paraguayan Congress has functioned normally since Stroessner took power in a coup d'etat almost 32 years ago. In that body, opposition is allowed, although rarely does anyone open his mouth to criticize the government. Every 5 years, Paraguayans go to the polls to elect members of Congress and to choose the president of the republic. Elections, overall, are nothing more than a game played with marked cards.

Always protected by the omnipresent machinery of the government and of the Colorado party, not to mention that of the Armed Forces, Stroessner has managed to be elected for seven consecutive terms and appears to be on his way to his eighth presidential mandate in the next election, scheduled for 1988. This time, however, there is a new twist: his permanency at the head of the government is not supported by the entire party. A self-proclaimed "traditionalist" wing supports a civil candidacy. Another group, called "militant," continues to support him.

Discretion is one of Stroessner's qualities which wins him the most points among Paraguayans. He is averse to ostentation, avoiding the traditional image of the Latin American dictator, and is the opposite of other figures among his intimate circle, known for their pompous and extravagant tastes.

A few years ago, one of his sons began constructing a replica of the White House in an Asuncion suburb. Disliking the reactions which this tropical anomaly provoked, Stroessner ordered work on the house to be suspended.

Nights in the Casino

The personality cult is another pillar of the strategy forged by Stroessner to secure his longevity in power. His name graces everything from the Asuncion international airport to Puerto Stoessner, the city on the Brazilian border next to Iguazu Falls. In downtown Asuncion, over the old Central Bank building, a lighted sign blazes every night with the message, "Peace, Work and Well-Being with Stroessner." On his trips around the country he is invariably surrounded by a formidable security apparatus. Added precautions were taken after the assassination of Somoza, struck by a bazooka shot in an Asuncion street in 1980. Whenever he can, however, Stroessner gets together with a group of friends to play roulette in the casino of the luxury hotel Ita Enramada, on the outskirts of the city, whence he leaves only at the close of betting hours, at 5 o'clock in the morning.

According to the main opposition figures, the survival of the dictatorship is closely related to the support received from Brazil. Liberal governments such as that of Juscelino Kubitschek, leftists like Joao Goulart, and military regimes always cultivate special relationships with Stroessner--outside of its borders, the Paraguayan government does not seem to have ideological biases in the search for friendships and alliances. In addition, common economic interests, such as the hydroelectric project of Iaipu, currently speak more loudly than words. Last week, in response to the request by Chancellor Olavo Setubal, the regime transferred the 67 Brazilian prisoners who were completing their sentences in an unhealthy basement to regular cells in Tacumbu prison. "The fact that President Jose Sarney, who is supported by the Liberal Front, maintains such close relations with Stroessner I consider to be a betrayal of international liberalism," complains Miguel Martinez Yaryes, president of the Authentic Radical Liberal Party, one of the signatories of the National Accord. The opposition, in spite of everything, believes that the Paraguayan border, normally porous to all types of merchandise, later will be open to something highly valued on the continent--democracy.

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CSO: 8142/0862

PERU

GOVERNMENT SIGNS NEW CONTRACT WITH OCCIDENTAL PETROLEUM

Details on Contract

PY232207 Madrid EFE in Spanish 1423 GMT 23 Mar 86

[Text] Lima, 23 Mar (EFE)--The Peruvian Government has signed a contract for prospecting and for exploiting oil in the country with the U.S. company Occidental Petroleum. The new contract, which was signed last night after several months of negotiations, includes two service contracts and will be in force for 30 years.

In August 1985 the Peruvian Government rescinded contracts with several companies that were operating in the country as contractors to the State Petroleum Agency (Petroperu). Under the new contract, the oil extracted by Occidental belongs to the government and to Petroperu. Neither the government nor Petroperu will assume any risk regarding the work to be undertaken by the contractor, which has been authorized to prospect for oil in two 1-million hectare lots in the Amazon jungle.

Occidental must invest $267.5 million in prospecting for new deposits of hydrocarbons in these lots. Of this amount, $84 million will be invested in the first lot. If petroleum is found, the contractor will have to invest $52 million more for its exploitation.

Occidental will have to invest $138 million for prospecting and exploiting oil in the second lot. The initial prospecting effort will consist of $53 million. If oil is found, $130.5 million more will be invested for exploitation.

Belaunde Criticism

PY241329 Paris AFP in Spanish 2221 GMT 23 Mar 86

[Text] Lima, 23 Mar (AFP)--Former President Fernando Belaunde Terry today harshly criticized the signing of the oil contracts with Occidental Petroleum. He said that the Peruvian Government chose the worst moment to sign the contracts because oil prices are very low.

Belaunde, who traveled to Miami, the United States, said that if the Peruvian Government had hired an oil-contract consultant company, it would have advised the government that this was the worst time to sign an oil agreement.

Regarding the reduction in the number of Mirage-2000 airplanes purchased from France, Belaunde said that these negotiations were started toward the end of his administration because of the economic difficulties.

Belaunde expressed satisfaction over the success of the negotiations started by his administration. Afterward, he said that it is too early to announce whether he will be a presidential candidate in 1990.

United Left Criticism

Paris AFP in Spanish 2358 GMT 20 Mar 86

[Text] Lima, 20 Mar (AFP)--The United Left [IU] bloc, the second leading political force in Peru, today questioned the draft of a new contract between the U.S. company Occidental Petroleum and the Peruvian Government, claiming that the U.S. consortium will obtain more advantages and more profits than under the previous contract. The IU bloc also criticized the nationalistic administration of President Alan Garcia for not having prompted a technical and political confrontation earlier and, in a statement, voiced the opinion that the state-owned enterprise Petroperu should take over the Occidental operations.

The draft of the contract was published last week and, according to unnofficial sources, it will reportedly be signed with the U.S. oil company in late March after the previous agreement with the foreign companies was canceled and the Belco Petroleum Co. operations were ended. The Marxists asserted that from September 1986 until 1991 the Occidental company will reap benefits totaling more than $300 million and that Peru will actually pay the equivalent of 54 percent of the petroleum's value and not 50 percent as stated by some governmental negotiators.

The IU statement explained that the difference in payments stems from a clause stipulating that Petroperu will purchase from Occidental 100 percent of the petroleum extracted from the oil fields in the northeast jungle areas, paying two rates: 47.7 percent of the barrel's price as a basic rate and 61 percent for the excess.

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CSO: 3348/473

PERU

CONNECTION SEEN BETWEEN DPRK ARMS SALES TO CUBA, PERU

PY151427 Lima EL COMERCIO in Spanish 14 Mar 86 p 2

[Editorial]

[Excerpts] According to a recent news agency report, the DPRK has delivered 100,000 automatic rifles similar to the Soviet Kalashnikov to Cuba. It would seem that this report is of no importance to the Peruvian public, since it deals with a transaction between two Marxist satrapies. If we remember, however, that Peruvian Deputy Interior Minister Angustin Mantilla went to Pyongyang a few days ago to purchase 10,000 similar rifles, it becomes clear that there is a connection between the two events.

The DPRK weapons use 4.45-caliber ammunition with steel cartridges, which are not made in Peru. The Peruvian military factory makes 7.62-caliber bullets with brass cartridges, so new equipment, supervised by North Korean experts, will have to be installed. We should clearly point out that Peru will run a serious risk if it permits communist military advisers in our country, since the North Koreans covertly encourage international terrorism and deliver weapons to subversive groups in various parts of the world; for example, in Central America. It is obvious, then, since the country has a terrorist problem, with the Shining Path in the lead--whose leader Abimael Guzman was trained in Pyongyang--that there is a danger that in the long run those weapons might be used in subversive actions, either through "losses" or other suspicious means.

The DPRK arms sales to Cuba and Peru prove the political nature of the transaction and the danger they may signify for democratic countries like ours, not only because of the negative dependency that it creates for Peruvians but also because of the possibility of the North Korean rifles being used illegally by civilians.

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CSO: 3348/473

PERU

JOURNALIST OUTLINES TELEVISION CENSORSHIP

PY180143 Lima EXPRESO in Spanish 9 Mar 86 p 2

[Commentary by Cesar Hildebrandt: "The Censorship of 'Encuentro'"]

[Text] It has been a silent takeover. There were no tanks stationed outside the door, there were no uncouth interventors shouting the bad news, there was no expropriation law, and there were no impassioned editorials protecting the event. Everything has been carried out discreetly and efficiently. And, in the end, as in 1971, television is under the de facto control of the government. This time it is under the control of the democratic government of the APRA [American Popular Revolutionary Alliance], of the scrupulous and always smiling government of Alan Garcia.

Instead of tanks it is now debts. Instead of intimidation of journalists it is now terrorism against the owners. Everything is perfectly planned. The president is not contaminated. The role is played by his faithful [Justice Minister] Luis Gonzalez Posada. And, the military men are called upon when the situation demands it. The military men carry out their task with an impassioned vocation and no one can tell whether the threat that was received not so very long ago by the director of a television station came from the government or military script: "We will blow up your antenna, damn it, we will blow up your station on the Morro and let's see who says that it was not terrorists." And, the government knows this. But, it will not admit it.

There are television channels that do not belong to their owners any more. It is a fact that the Popular Bank, COFIDE [Financial Development Corporation], and the Industrial Bank are their main creditors. There are other channels that have to make a very specific clarification regarding temporary admissions [internamientos provisionales]. There are channels that are asking for postponements. All of the channels, all of them, are today collecting abundant funds from the broadcasting of state commercials. All of the channels tremble when faced with official anger. And, when the anger has epaulettes and rude manners--in addition to the govermment's guarantee--fear turns into terror.

The official pressure, which is generally channelled through Gonzalez Posada where television is concerned, is felt by all news programs on Peruvian television. This pressure tried to gag "Encuentro" many times. And, I tried many times to make the frightened owners of Frequencia 2 understand that the task of informing is a moral commitment to public opinion, to the Constitution, to self-esteem, and that the pressure was normal and that no one should give up so easily.

I recall the gross tone with which the manger of Frequencia 2, Guillermo Riva, a sinister carrier of the most dirty threats, protested in the name of the channel against the interview that I had with Enrique Zileri during an "Encuentro" program. On that program, the publisher of CARETAS made some remarks about the scandalous and frustrated trip of Prime Minister Luis Alva Castro, who cannot be touched by even a whiff of criticism. In this case and because Gonzalez Posada and Alva Castro are occasional enemies, the pressure did not come from the justice minister. But, the fact is that in this government the call for authoritarianism, to Mexicanize the country, uses more than one line of communication. And, I recall the tone with which that same manager of Frequencia 2 indicated to me that the presence of Deputy Gustavo Espinoza on the "Encuentro" program to speak about the Chapi case could place the program in danger. But, Espinoza spoke, as did Zileri. Just as rightists, leftists, and centrists have spoken on "Encuentro."

The situation could not last much longer. The pressure increased and my resistance was increasingly expressed in tension and bad humor. The alternative was either to continue to be a journalist or to grovel. And everything exploded when they asked me first, and then demanded, that I not touch the topic of Commander Artaza ("Camion"), because the directors of Channel 2 had made "an unbreakable commitment with the Armed Forces not to touch that topic or any other case in which a member of the Armed Forces was involved."

It did not help to say a thousand times that if Commander Artaza were to be thought typical of the Armed Forces, then we would have to review all our standards. Just as it did not help to say that the reportage did not contain a single excess, a single malicious adjective, that it was a serious and factual investigation about the alleged kidnapping and the official silence about the case.

The veto was sustained, and there was nothing more to talk about. "Encuentro" ended as it began: Untainted.

The story and the names do not matter. What is important is to tell the Peruvian people that a process of subjugation of private television and disinformation through it is under way. "Encuentro" is only one of the victims. There are other programs that remain silent or continue half gagged. Not long ago, the talented producer of "Uno Mas Uno," Rodolfo Pereyra, resigned because Fernando Ampuero's important program refused to air a documentary produced by Pereyra. The name of the documentary was "The Missing," and it focused on the actions of the Armed Forces in the Emergency Zone. According to a statement by Pereyra, this veto, which has not been denounced so far, was the result of the same military pressure that helped to end "Encuentro."

I am not bitter or sad or resentful. I did my duty as a journalist; others did their duty as servants. I did not want to remain silent. Others are getting paid to remain silent. I do not want to brag about anything. I only want to say that during the Belaunde government and despite the censoring of "Testimonio," "Vision," and "Conexiones," I never ran into such a sordid atmosphere as that which surrounded the "Encuentro" episode. I was a harsh, unrelenting critic of Belaunde, but I never discovered that he was behind a dark, dirty, and triangular operation intended to erase any expression of opposition from the television screens. I know in fact that Belaunde was not behind my journalistic "accidents." I could not make a similar statement today.

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CSO: 3348/473

TELEVISION STATION REJECTS NEWS AGENCY POOL

PY261623 Lima Panamericana Television Network in Spanish 0200 GMT 26 Mar 86

[Station commentary]

[Text] Panamerican Television greets with joy the return to Eduardo Cavero of Radio Victoria and Radio Reloj--the latter with its national network of 22 radio stations. The state has accepted the court ruling in the trial it had no chances of winning. These radio stations were seized by the military dictatorship in an attempt to establish the so-called New International Order of Information. Today the state is again trying to make the government news agency ANDINA a participant in this new international order.

The return of Radio Victoria, precisely at the time when a government official decides on our country joining the so-called New International Order of Information, which seeks to put the news under government control, is rather contradictory.

Remarks made by ANDINA President Ricardo Cervera reveal that the repeated meetings of state news agencies are wrongly interpreted as state support for a new order proposed by Marxist countries to UNESCO. Thus, Panamericana Television wants to make the following points very clear:

We respect the plurality of information in the freest possible manner, without accepting official news as being the only truth.

We do not want to continue using the services of a news agency that belongs to a pool managed by Cuba. Therefore, we would rather withdraw out subscription to ANDINA until the government position is clearly explained.

We hope, therefore, that the government will make a statement on this serious problem which commits Peru's position regarding the freedom of expression, which is by no means represented by the so-called New International Order of Information.

In its editorial today, the newspaper EL COMERCIO recalls that for more than 5 years during the military dictatorships, Peru suffered the consequences of the UNESCO-sponsored experiment with seizures of private communciations media, the annihilation of the independent press, and other aggressions. Therefore, the editorial states, we reject the New International Order of Information and Communications, and we are opposed to the Peruvian support for this order, because we are aware of the serious risks it represents. Moreover, we keep waiting for a government statement on this matter of national importance.

/6662
CSO: 3348/473

ST LUCIA

COMPTON CRITICIZES LEVEL OF AID TO CARIBBEAN

Port-of-Spain TRINIDAD GUARDIAN in English 15 Mar 86 p 5

[Text]

CASTRIES, Mar. 14, Cana — SAINT LUCIAN Prime Minister John Compton has criticised the levels of international aid to the Caribbean.

Mr. Compton was addressing a meeting of the ad hoc committee of the Caribbean Group for Co-operation and Economic Development (CGCED) which was created in 1977 under the sponsorship of the World Bank to coordinate external financial assistance to the area.

He said since the group was set up, there had been little if any additional aid flows to the region.

"Indeed in many cases the flow of aid has actually been reduced and its trickle so low that it is virtually lost in the desert sands of our needs."

Mr. Compton told the 16-nation CGCED that the lack of an adequate response from the international community had put severe pressures upon regional institutions which were created to protect political independence and to convert it into economic advancement for Caribbean people.

Foreign Reserves

The Multilateral Clearing Facility has collapsed and with it much of the Caricom trade putting severe pressures upon the foreign reserves of some countries with the attendant crises.

Commodity prices have collapsed, reducing the ability of Government to meet their objectives not only to the international community but to regional institutions, Mr. Compton said.

The clearing facility collapsed in 1983 because of the heavy indebtedness of Guyana, which has serious economic problems, exacerbated by falling export prices.

Mr. Compton said although the islands have struggled to survive, their efforts have been met with indifference and in the case of the OECS countries with expulsion from access to the concessionary funds of the International Development Association (IDA).

"By 1991 we will all go dressed up for the graduation ceremony (from the IDA), with nowhere to go. That is unless provisions are made now to equip these countries with the wherewithal to fill the gap left by this graduation."

Mr. Compton said international donors should take advantage of the current relatively favourable conditions to aid Caribbean nations.

"There are signs of recovery in the leading industrialised countries, oil prices have fallen significantly and this should lead to sustained growth, the fall in interest rates should reduce presures on foreign reserves. This respite should be used to our advantage," he said.

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CSO: 3298/383

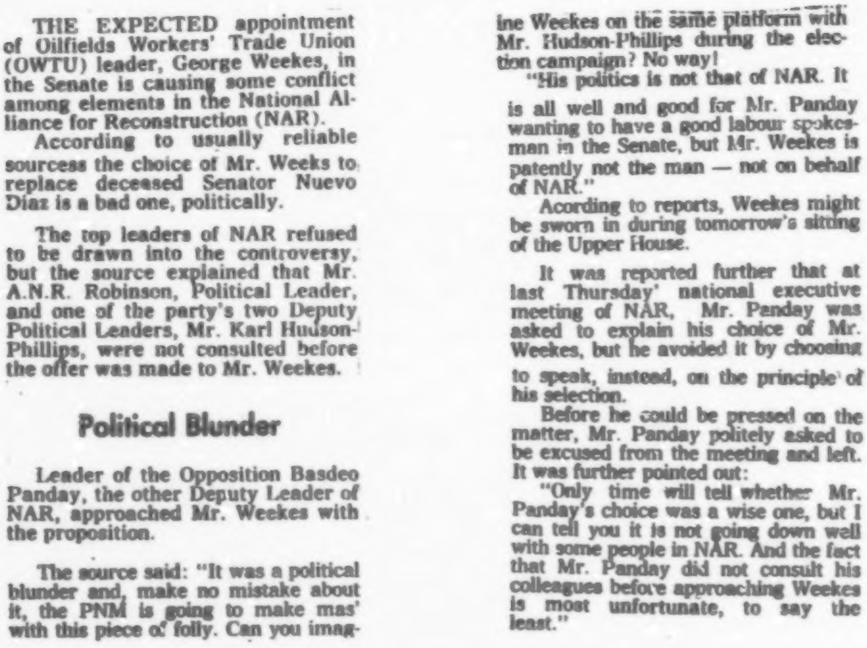
TRINIDAD AND TOBAGO

WEEKES APPOINTMENT TO SENATE SPARKS ROW IN NAR

Report of Differences

Port-of-Spain TRINIDAD GUARDIAN in English 17 Mar 86 p 1

[Text]



THE EXPECTED appointment of Oilfields Workers' Trade Union (OWTU) leader, George Weekes, in the Senate is causing some conflict among elements in the National Alliance for Reconstruction (NAR).

According to usually reliable sourcess the choice of Mr. Weeks to replace deceased Senator Nuevo Diaz is a bad one, politically.

The top leaders of NAR refused to be drawn into the controversy, but the source explained that Mr. A.N.R. Robinson, Political Leader, and one of the party's two Deputy Political Leaders, Mr. Karl Hudson-Phillips, were not consulted before the offer was made to Mr. Weekes.

Political Blunder

Leader of the Opposition Basdeo Panday, the other Deputy Leader of NAR, approached Mr. Weekes with the proposition.

The source said: "It was a political blunder and, make no mistake about it, the PNM is going to make mas' with this piece of folly. Can you imagine Weekes on the same platform with Mr. Hudson-Phillips during the election campaign? No way!

"His politics is not that of NAR. It is all well and good for Mr. Panday wanting to have a good labour spokesman in the Senate, but Mr. Weekes is patently not the man — not on behalf of NAR."

Acording to reports, Weekes might be sworn in during tomorrow's sitting of the Upper House.

It was reported further that at last Thursday' national executive meeting of NAR, Mr. Panday was asked to explain his choice of Mr. Weekes, but he avoided it by choosing to speak, instead, on the principle of his selection.

Before he could be pressed on the matter, Mr. Panday politely asked to be excused from the meeting and left. It was further pointed out:

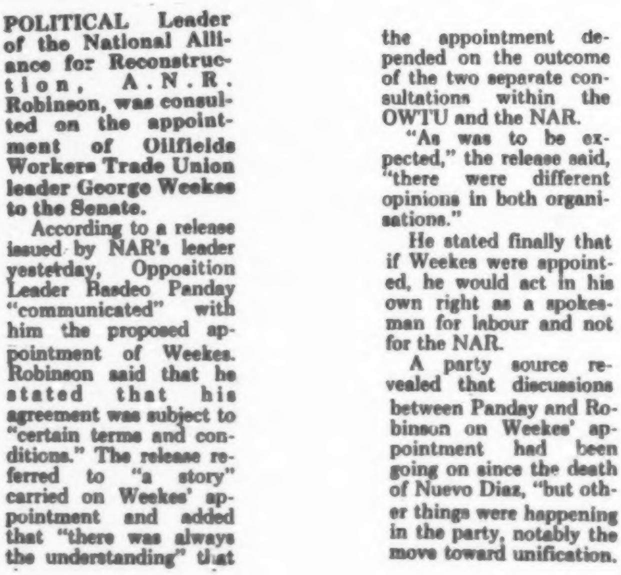
"Only time will tell whether Mr. Panday's choice was a wise one, but I can tell you it is not going down well with some people in NAR. And the fact that Mr. Panday did not consult his colleagues before approaching Weekes is most unfortunate, to say the least."

Robinson Comment

Port-of-Spain EXPRESS in English 18 Mar 86 p 1

[Article by Ria Taitt]

[Text]



POLITICAL Leader of the National Alliance for Reconstruction, A.N.R. Robinson, was consulted on the appointment of Oilfields Workers Trade Union leader George Weekes to the Senate.

According to a release issued by NAR's leader yesterday, Opposition Leader Basdeo Panday "communicated" with him the proposed appointment of Weekes. Robinson said that he stated that his agreement was subject to "certain terms and conditions." The release referred to "a story" carried on Weekes' appointment and added that "there was always the understanding" that the appointment depended on the outcome of the two separate consultations within the OWTU and the NAR.

"As was to be expected," the release said, "there were different opinions in both organisations."

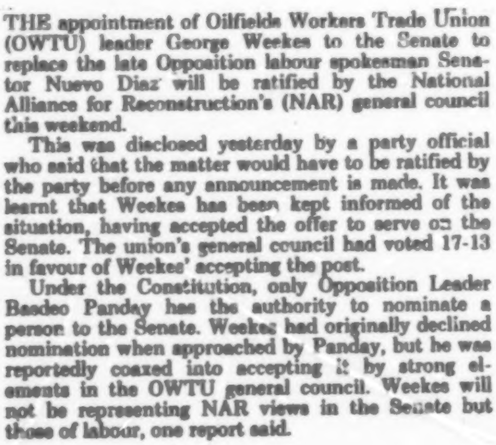
He stated finally that if Weekes were appointed, he would act in his own right as a spokesman for labour and not for the NAR.

A party source revealed that discussions between Panday and Robinson on Weekes' appointment had been going on since the death of Nuevo Diaz, "but other things were happening in the party, notably the move toward unification.

Party Ratification

Port-of-Spain EXPRESS in English 20 Mar 86 p 56

[Text]



THE appointment of Oilfields Workers Trade Union (OWTU) leader George Weekes to the Senate to replace the late Opposition labour spokesman Senator Nuevo Diaz will be ratified by the National Alliance for Reconstruction's (NAR) general council this weekend.

This was disclosed yesterday by a party official who said that the matter would have to be ratified by the party before any announcement is made. It was learnt that Weekes has been kept informed of the situation, having accepted the offer to serve on the Senate. The union's general council had voted 17-13 in favour of Weekes' accepting the post.

Under the Constitution, only Opposition Leader Basdeo Panday has the authority to nominate a person to the Senate. Weekes had originally declined nomination when approached by Panday, but he was reportedly coaxed into accepting it by strong elements in the OWTU general council. Weekes will not be representing NAR views in the Senate but those of labour, one report said.

/9317
CSO: 3298/384

TRINIDAD AND TOBAGO

NAR, PNM GEAR UP FOR ELECTION; NEW SEATS POSSIBLE

PNM Comments

Port-of-Spain EXPRESS in English 20 Mar 85 p 1

[Text] AN official of the People's National Movement said yesterday he believes there may be between five and seven new electoral constituencies for the upcoming general election. This opinion, he said, is based on the increase in the number of voters.

The Elections and Boundaries Commission is to present its boundaries report to the Speaker of the House of Representatives by May, when the House will consider recommendations for the re-definition of constituency boundaries.

The Commission is not yet certain what the final number of voters will be but a new voters' list is to be completed by July 1.

Preparations for the election were expected to be discussed at last night's PNM General Council meeting at Bailsier House.

The PNM official, who did not wish to be named, told the EXPRESS the party has divided the country into 12 areas for campaign purposes, and representatives of the Elections Committee, headed by Elections Officer Rennie Matthews, have begun visiting each area in turn to discuss election strategies and verification of the electoral list.

In one constituency alone, the PNM official said, showing the Party's concern over the recent registration update, between 1,500 and 2,000 names are missing.

However, Party groups in each area are being "stabilised" for a smooth transition if electoral boundaries are changed.

Political parties have been assisting the voter registration programme with the blessings of the Commission.

NAR Actions

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 86 p 16

[Text] HIS main challenge: to win the next general elections for his party.

What are the main obstacles in this quest? None really, just some difficulties to be surmounted.

The man speaking was John Humphrey, the National Alliance for Reconstruction (NAR) recently-appointed Party Organiser.

At an imformal Press briefing yesterday morning, Mr. Humphrey, member of St. Augustine and the Oppsotion's shadow Minister of Housing, gave an insight into his duties and how he intend performing them.

Basically his duties are the formation and functioning of party groups, arranging public meetings and to have the party on an election footing.

In this direction he has recruited a team to assist him.

For election manageable purposes, the NAR has divided the country into 15 regions — 14 in Trinidad and one in Tobago.

In keeping with his mandate, Mr. Humphrey is also ensuring that constituencies hold conferences to elect persons to party branches as requested by NAR General Secretary Dr. Deau Tewarie.

Action Plan

On the splitting up the country into regions — each zone being assigned to an individual to service — Mr. Humphrey noted:

"When the candidates are identified they will be brought into the structure of the organisation. He will have an organisational body with clear command linkages so he will have no difficulty in fitting into it."

Also charged with the responsibility of drawing up an action plan for the party, Mr. Humphrey emphasised his work was being done with the overriding factor being that a general election could be called at any time.

Asked when would NAR announce its candidates, Mr. Humphrey replied:

"That will relate to the announcement of the date for the elections. (Prime Minister George) Chambers will try to revive the ghost of Eric Williams this month..."

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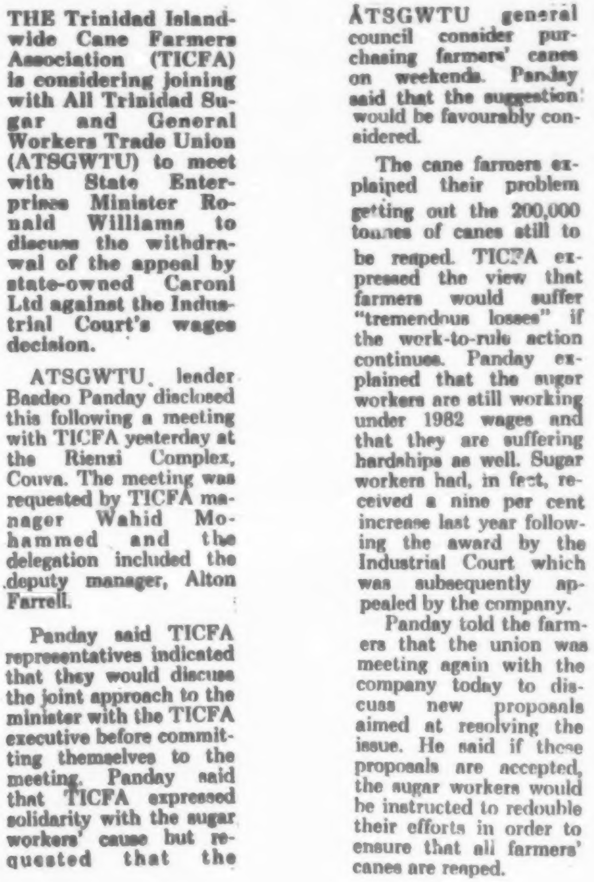
CSO: 3298/384

UNIONS PLAN TO JOIN FORCES IN DISPUTE WITH CARONI

Port-of-Spain EXPRESS in English 20 Mar 86 p 56

[Text]



THE Trinidad Islandwide Cane Farmers Association (TICFA) is considering joining with All Trinidad Sugar and General Workers Trade Union (ATSGWTU) to meet with State Enterprises Minister Ronald Williams to discuss the withdrawal of the appeal by state-owned Caroni Ltd against the Industrial Court's wages decision.

ATSGWTU leader Basdeo Panday disclosed this following a meeting with TICFA yesterday at the Rienzi Complex, Couva. The meeting was requested by TICFA manager Wahid Mohammed and the delegation included the deputy manager, Alton Farrell.

Panday said TICFA representatives indicated that they would discuss the joint approach to the minister with the TICFA executive before committing themselves to the meeting. Panday said that TICFA expressed solidarity with the sugar workers' cause but requested that the ATSGWTU general council consider purchasing farmers' canes on weekends. Panday said that the suggestion would be favourably considered.

The cane farmers explained their problem getting out the 200,000 tonnes of canes still to be reaped. TICFA expressed the view that farmers would suffer "tremendous losses" if the work-to-rule action continues. Panday explained that the sugar workers are still working under 1982 wages and that they are suffering hardships as well. Sugar workers had, in fact, received a nine per cent increase last year following the award by the Industrial Court which was subsequently appealed by the company.

Panday told the farmers that the union was meeting again with the company today to discuss new proposals aimed at resolving the issue. He said if these proposals are accepted, the sugar workers would be instructed to redouble their efforts in order to ensure that all farmers' canes are reaped.

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- END -

JPRS-LAM-86-037

18 APRIL 1986

Latin America Report

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ARGENTINE COLUMNIST ROUCO ON NICARAGUAN-LIBYAN CONNECTION

PY040136 Buenos Aires LA PRENSA in Spanish 2 Apr 86 pp 1, 4

[J. Iglesias Rouco column: "Managua's Libyan Connection"]

[Text] According to reliable sources within the UCR [Radical Civic Union], Mr Alfonsin is "very concerned" these days about the course of events in Central America and particularly about the tone of the Sandinist regime's political attitude, which seems to be escaping Havana's control, at least the total control that Castroism has exercised over Managua in recent years.

According to what we were told by some of our sources, presidential concern became more pronounced after Washington's visible disapproval of the Argentine initiatives in Punta del Este. After the White House complained to the Argentine Foreign Ministry about the "Peace Corps" for Costa Rica that was discussed in Uruguay and about the link that was established there between the position of the Cartagena Consensus and that of the Contadora Group--thereby adding, in accordance with the Castroist thesis, the foreign debt problem to the Central American conflict--an important U.S. official told Mr Alfonsin during a meeting that Washington had received the Argentine posture as "a slap in the face."

Both U.S. and Argentine officials who had been in Managua or are serving there had sent very precise information to Buenos Aires about the growing number of Libyan policemen and military experts in Nicaragua, who are there against Mr Castro's best advice. Apparently, Colonel al-Qadhdhafi's financial assistance to the Sandinist Government already amounts roughly to $300-400 million. According to estimates, Tripoli had sent fighter planes and other materiel to Nicaragua, along with some 40 specialists, between military advisers and--perhaps mostly--internal repression experts. All this is in the context of the terrorist offensive with which Al-Qadhdhafi threatens the United States "throughout the world," including places far away from the Mediterranean region--as he said after last week's incidents in the Gulf of Sidra. According to the same information sent to Buenos Aires, Libyan experts have already participated, together with Argentine Montoneros, in questioning sessions of Nicaraguan oppositionists.

The capers of the Libyans in Nicaragua have already been widely reported in U.S. and European newspapers. But here, the state television and radio keep up the propaganda in favor of the Sandinist regime at a time when a repressive wave is sweeping Nicaragua in the wake of the state of siege; at a time when the Sandinist dictatorship most visibly--including resorting to torture and "disappearances" of hundreds of prisoners--moves against the wave of Latin America's "democratization," for which the Alfonsin government claims to be struggling.

In the view of Washington and of European and Latin American experts, the Libyan presence in Nicaragua, which is made easier by the financial shortcomings of Cuba and even of the Soviet Union, represents the first step of the penetration of Al-Qadhdhafi's regime in Latin America, aiming at the consolidation and expansion of the subversive tide that is assailing the continent, including the Southern Cone.

According to this view, Moscow is covertly encouraging this new Al-Qadhdhafist adventure with one purpose in mind: To brand as "madness" the notion of the development of Latin American terrorism in "the backyard" of the United States and yet to try to introduce what it considers "madness" in the territory of the United States or at least in its zone of immediate security (Central America) without showing its face as the author or accomplice of that "madness." In that way, Moscow will keep its negotiation channels with Washington open, save precious foreign currency, and push the United States and Latin America into a subversive fire that not even the Soviet Union could douse (lack of Soviet or Castroist control over Al-Qadhdhafi is admitted by Americans and Europeans as a fact). This strategy of acting behind the scenes will liberate Moscow, in case of an agreement with Washington on nuclear missiles, European security, and global strategic questions, from a negotiated obligation to clip Al-Qadhdhafi's wings, thus giving up the advantage represented by the destabilization of the "backyard." To this should be added the prospect that the "Libyan-style" terrorism will have more profound psychological effects because of the "demented and suicidal" character of the Libyan terrorist organization; the possible logistic support from the local subversive groups that were trained and supported by Libya during the past decade (recall the case of the Montoneros); possible help from the people of Arab extraction in Latin America; and the fact that Libyan terrorists will have a "particular" target represented by the Jewish community established in this region, which is quite large in Argentina.

Western Evaluation

The evaluation of those possibilities has completely turned around the political and strategic considerations with which the United States and many of its NATO allies--keep in mind that Western Europe is also under the Al-Qadhdhafist threat--have until recently looked at the Central American conflict. This evaluation can be summed up this way:

1. In the hand of the Sandinists, Nicaragua is on its way to becoming the first state in the world, or at least in the West, to serve as a platform for Al-Qadhdhafi's regime outside Libya (which now is not a state strictly speaking, but a terrorist base).

2. Consequently, any form of economic, diplomatic, or military support for Nicaragua will ultimately result in support for Al-Qadhdhafi, and not only for his conventional "military" actions but for the nonconventional ones, which include an atomic option for which technological resources have been sought for more than a decade.

3. Argentina today is, within Latin America, the only country in a position to offer Libya such resources, and both the local extreme left and extreme right lean toward favoring that "option," in the same way as the Alfonsin government has so far accepted the shoring up of the Sandinist "revolution."

4. The amount of financial aid that Libya has already given Nicaragua and the human resources that it has there and the strategic interest of the Soviets and Cubans that we have already outlined make the alliance between Managua and Tripoli practically irreversible.

5. The Palestine terrorist organizations, such as the PLO, which is already represented in Latin America, the Arab countries of the so-called "front of firmness" against Israel, such as Iraq, could eventually second this Al-Qadhdhafi offensive in Latin America, if only in the diplomatic and political spheres.

6. Under the brand new Libyan influence, the Sandinist regime has presumably sent some 500 activists to Argentina, Bolivia, Uruguay, and neighboring countries, in addition to the hundreds of Cubans, who under various camouflages are in action in the Southern Cone, mostly in the Rio de La Plata region in universities, commercial enterprises or underground.

7. According to indications, which are not yet complete because all the "intelligence" has not yet been collected, Tripoli is presumably about ready to invest important sums in Latin American drug trafficking because Al-Qadhdhafi sees, as do certain Sandinist leaders, that it is a valuable weapon in the "anti-imperialist struggle." His new Nicaraguan allies, including Commander Borge himself, have been accused in the United States of active participation in the Latin American drug trafficking to the United States.

As for the rest, apart from the cooperation that Libya gave the Montoneros and other Latin American subversive sects during the last decade, a cooperation that continues if the joint police work that Libyans and Montoneros are now carrying out in Nicaragua is taken into account, there are no indications yet of a significant "Libyan connection" with Shining Path, the ERP [People's Revolutionary Army], the M-19, the MIR [Movement of the Revolutionary Left], and the other terrorist commandos of South America. Moreover, these "armies" are making alliances, and they are starting to move in a coordinated way; and, all of them, or nearly all of them, fly the pro-Sandinist flags in addition to their own flags. Thus, the new Libyan alliance with Managua can easily be extended to these other groups.

In upcoming articles, we will reveal some reports of a military origin regarding the nature of the agreements that have presumably been concluded between foreign subversive movements with their Argentine counterparts, including their common activities, such as those of the Shining Path and the ERP (one of its chiefs, Gorriaran Merlo, was presumably in Managua recently contacting precisely the Libyan "technicians"). Of course, what cannot be rejected is the fact that these reports, given their military origin, may be slightly partial and even have sectarian ends. However, it is true that the majority of the authors of the reports submitted them to the government and they are full of details that can be proven by the authorities. If half, or even a quarter, of the details contained in the reports are true, then Mr Troccoli's optimism regarding subversive activity in the country does not seem to be very consistent.

But, for today just this one detail: Buenos Aires' "entente" with Managua will mean, if it continues, a Buenos Aires "entente" with Tripoli, which today is one of the main centers, if not the main one, of terrorism and world "destabilization."

Therefore, there is no lack of motives for the presidential concern. In this respect, Mr Alfonsin is experiencing some very black days. In effect: Close on the heels of the U.S. warning, the president presumably received the request of an important bishop who is interested in the replacement of the lady under secretary for worship. In the end, the Casa Rosada is keeping alive numerous and very delicate conflicting "fronts."

/9599
CSO: 3348/491

ANTIGUA AND BARBUDA

PAPERS REPORT, COMMENT ON BIRD ADMINISTRATION'S BUDGET

Signs of ALP 'Infighting'

St Johns OUTLET in English 7 Mar 86 p 1

[Text]

Something is rotten within the ranks of the Bird Cabinet and the Antigua Labour Party.

Delivering his presentation on the Budget last week, Deputy Prime Minister Lester Bird brought to light surprising revelations as to the widening rift between government ministers, this time in Parliament itself and over the air-waves.

"After ten years in power, the Antigua Labour Party is now at the crossroads", said Lester Bird who is also the Minister of Foreign Affairs, Economic Development, Energy and Tourism. That statement was repeated at least three times. Lester is convinced that his government and party have lost their way, and the government is riven in twain without unity of purpose, and thus, it stands or sits divided at the crossroads.

RENT ASUNDER

He continued **"Our economic performance throughout the last ten years was achieved by us working together in harmony with a common purpose"**. Now, that harmony and common purpose has been rent asunder was his obvious point.

The obvious implication was that as a result of the savage infighting presently existing with the Cabinet and Party, there was no unity, no purpose, no direction. Antigua drifts to nowhere - very fast.

What the Deputy Prime Minister could not say, but what he obviously implied was that the government, headed by his father V.C. Bird, and of which he is heir apparent, no longer had the unity of **interest, will** nor **capacity** to govern in the **national interest.** In short, the individual Cabinet war-lords were doing their own thing, to the detriment of the party, government and country.

In past weeks, Cabinet ministers have used the Bird owned ZDK radio and the **Workers Voice,** organ of its self described industrial arm, to savage each other. **Lester Bird, in his Parliamentary address implied that one faction would have to go in order to end the in-fighting and power struggle within the ruling party.**

Suggesting that there were Cabinet colleagues eager to see his downfall, Lester revealed that for years he has been attempting to remedy the poor drainage service in his constituency **St John's Rural East.** But so far, he lamented, without success. An underhand snipe at the Minister of Public Works, Hilroy Humphreys. The latter, a staunch opponent of the perpetuation of the Bird dynasty has on other occasions, attacked the Deputy's policy of 'foreignization'.

"I WILL FIGHT"

Lester, now speaking in an angry tone said **"It was the drainage problem that influenced the people to throw out their last parliamentary representative. Obviously there are some who want to see me go out the same way. But I will not go down with a whisper. I will fight".**

Startling stuff indeed! The Bird government, elected overwhelmingly in 1984, with no parliamentary opposition, with a total monopoly of the electronic media can do nothing but fight against each other, even within the supposedly sacred halls of Parliament!

To be sure, the electorate did not give them a mandate to undermine each other, to amass personal fortunes or to do their own thing, oblivious of the national interest. But absolute power corrupts absolutely and a house divided against itself cannot stand.

But there was more to the Deputy's Parliamentary presentation which to most political observers sounded more like the speech of a Prime Minister designate than a critical analysis of the Budget itself. Indeed, in his attempt, by use of numerous statistics, to portray his government's so called economic miracle, Lester confined himself to accomplishments achieved within the Ministry of Economic Development and Tourism. As if to say, these achievements are mine, not the government's.
But he was quick to point out that the people had not appreciated these efforts. Certainly the people perceive national development quite differently from Lester Bird. Genuine development does not need the support of statistics to prop it up. For wasn't it Mark Twain who remarked that statistics are of three kinds, said Mark Twain:**"Statistics are lies, more lies and damn lies."**

Anyway, Lester Bird's national address was instructive in more ways than one. For he made it very clear that Antigua can only be developed with foreign capital. He again scolded those within the Cabinet who were accusing him of "selling out" the country and allowing foreigners to dominate the economy.

"This government will have to decide whether it wants industrialization by invitation, and development by invita-

tion," he angrily asserted. He made reference to a government Senator whom he said had alleged that he, Lester and Peter De Savary were conspiring to take away Antigua people's land. He also defended De Savary whom he said had been viciously slandered by residents in the English Harbour/Falmouth area.

NOT ME

Lester admitted that the accusations of foreign domination were not confined to the political opposition parties in their normal political rivalry but had gained currency within his own party and government. And these accusations were levelled at him. **"I will no longer be held responsible"** he said.

But his very speech was an affirmation of the increasing foreign domination of the economy. For to Lester, **De Savary is the best thing to have happened to Antigua since Nelson.** As far as he is concerned, Antigua lacking natural resources cannot do without De Savary, or Rappaport, and cannot develop without total reliance on foreign capital.

"So who cares if they developed Liverpool and British from the backs of slaves. This is 1986, we have to recognise the reality, they have the capital, we have to use them." As if an ant could exploit an elephant's massive feet to its own advantage.

When Prime Minister Bird came into Parliament during Lester Bird's speech he re-emphasised that he was no longer going to take the blame for the 'foreignization' of Antigua, and that **the Government** and **not** Lester Bird must be held responsible for this policy. The point was obvious; PM V.C. Bird must take the heat rather than Lester B. Bird.

Noticeably while Lester Bird spoke, new rival, Reuben Harris, Minister of Education, was not in parliament. He had skipped the Budget debate, watching cricket in Jamaica and staying on there. Even though Education was a major feature in the Budget nothing was heard from the Education Minister!

Most noticeably, none of the Government media, nor Lester Bird's own medium **The Herald** gave any prominence to his Crossroads Speech. No parliamentarian replied. The ALP riven from top to bottom is out of harmony, has no common purpose and cannot govern.

Emphasis on Military Spending

St Johns OUTLET in English 7 Mar 86 p 2

[Text]

The 1986, Budget in which the government of Antigua has budgeted to spend some 160.5 million dollars, while its revenue is projected at 159 million dollars, has some serious surprises which were never revealed in Parliament, because of the One-Party character of Parliament.

MILITARISATION

The most stunning fact is the increase in **military expenditure** in Antigua and Barbuda. The Ministry of Defense, which falls under Prime Minister V.C. Bird himself, had some startling increases, and is in excess of all the normal heads of expenditure except Health and Education.

The best way to note the staggering increases in military expenditure would be by observing that in **1984** the Prime Minister's office spent 6 million, 910 thousand dollars, while in 1986 the Prime Minister's office will spend 18 million, 802 thousand dollars! An increase of more than 250%! **No explanation whatsoever is given in the Budget and none was asked for in the One-Party Parliament.**

Finance Minister John St Luce glibly passed over this massive increase in military expenditure and said only "that since last year provision has been made for a number of allowances for members of the Police Force thus enhancing their take-home pay". No mention whatsover was made of military expenditure, or worse, the amount allocated to the military. The police we are supposed to believe, got an increase, hence the 250 percent increase in the Defence Budget. It was low-down dirty trick.

In plain terms, the Antigua & Barbuda Government is deliberately concealing from the public the massive increases in military expenditure. **The Bird regime is secretly militarising Antigua and Barbuda to maintain itself in power.**

MASSIVE PUBLIC DEBT

Another stunning feature of the 1986 Budget was the fact that **debt payments** received the largest slice of the 1986 Budget. Debt payments to be paid by the Antigua Government amounted to the huge figure of **27 million, 589 thousand dollars!**

This staggering figure allocataed for "the repayment of principal and interest on Loan facilities" is more than one-sixth of the entire budget. When military expenditure and debt payments are added together, they account for 30% of the Budget. In fact, military expenditure and debt payments are together greater than the Bird regime's combined expenditure on Education, Culture & Youth, Health, Agriculture, Land, and Fisheries, Labour Housing and Co-operatives!

Though the amount to be paid this year, 27 million dollars, is given, the Minister of Finance, by a neat trick, did not say what the total debt of Antigua was. The last time he gave a figure he said the total debt was EC$58 million. Now he admits to a single loan of U.S. 45 million dollars but never gives the total debt. The public debt is not the public's business, is the new dictate of the Bird regime.

The Budget is so badly skewed in favour of military expenditure and debt payments that no development is possible, and existing levels of public works, health, education, and utilities must deteriorate to below their current abysmal levels.

RIP-OFF

Another stunning feature of the 1986 Budget is that the word **'oil'** is not mentioned at all! Though oil prices have plummeted to an all-time low, now down to less than US$12 per barrel, Antigua and Antiguans continue to pay the same prices as when fuel prices were 6 times higher!

In other words, the government of Antigua is **deliberately** inflating the economy and prices, and at the same time, allowing foreign-owned West Indies Oil Company, to buy refined products at **dirt cheap prices** and to sell the products to the public **at grossly inflated prices.** Who benefits?

Is West Indies Oil reaping this windfall? If so are there kick-backs? And how much does government get out of the Oil Rip-off? The same ALP government that challenged the surcharge on electricity bills during the 1972-75 oil price hike, has itself increased the Fuel Variation which replaced the Surcharge - declared illegal. The illegal has now become legal, and doubly so.

As ACLM Chairman Leonard Tim Hector said at ACLM's last public meeting on Thursday 13 February "The more oil prices **go down,** the more Bird's Fuel Variation on our electricity bills **go up".**

Finance Minister John St Luce ducked this gross irregularity in the 1986 Budget and wasted a lot of precious time quoting some of the most reactionary writers including Edmund , Burke 1729-1797 rather than deal with the pressing realities of 1986.

The 1986 Budget was really a bag of tricks designed to fool the public about the real size of military expenditure; about how to conceal the public debt from the public; and how to side-step the oil price rip-off altogether.

ACLM acting chairman Conrod Luke described the 1986 Budget debate in parliament thus "Apart from Myers and Lester Bird, nobody said anything of note. It was the most meaningless and insipid so-called debate ever. The one-party character of the State is a definite ban on public debate and knowledge. I heard many people wishing that there was an ACLM representative in Parliament to deal with the Budget and other issues for the public good and information."

HERALD'S Assessment

St Johns HERALD in English 7 Mar 86 p 3

[Article by Brunel Meade]

[Excerpts]

Last week was Budget Week in the State of Antigua, Barbuda and Redonda. The Honourable Minister of Finance opened his Black Box before Parliament on Monday February 24th, 1986. It is about this season each year that most state Financial Chief Controller table before Parliament their State's Budget. In this regard our Budget presentation was earlier compared to the time of delivery last year-1985. The budget delivery occurred with little public enthusiasm. In most developed and progressively developing economies the presentation of the State Budget is followed very closely by the public especially the public sector personnel who are directly related to its preparation and implementation.

The 1986 Budget outlined that the broad goals and objectives of the Antigua and Barbuda government is to attain economic growth of the countries Gross Domestic Product (DGP) as well as improve the level of economic development; thus leading to an improvement in the economic welfare of the population as a whole. This is indeed a noble goal and is the ambition of most modern governments.

The Budget indentified revenue constraints, a mixed structure market economy, mini state and small size; problem of unemployment, predominant dependency on tourism openess, a challenge of debt servicing, (which has become a major world economic problem, especially of the Third World), low taxable capacity, low level of domestic saving, low investment capital and low linkage in economic sectors. It also identified the limitations experienced in the Caricom Market, especially in the area of regional trade, and the high cost of international financing. Against this background of economic budgetary constraints to manage a State Budget of this size of recurrent Expenditure of EC$160,599,229 and Revenue of EC$159,923,287 is indeed a formidable challenge for a small mini state.

Recurrent Expenditure of 1986 reflects and increase of EC$31,214,034 over 1985 or an increase of 24%. While Recurrent Revenue of 1986 improved to EC$30,538,092 or 24%.

In terms of major revenue changes, the Prime Minister's head declined in 1986 for 1985 by 21%; Ministry of Finance increased in 1986 over 1985 by 24%, comparing the same year. Ministry of Education increased by 20%, while the Ministry of External Affairs, Economic Development, Tourism and Energy declined by 25%. The greatest increases were the Ministry of Public Utilities, Aviation and Communication 33% and the Ministry of Labour, Housing and Cooperatives 45%.

On the Expenditure side, Recurrent Expenditure main changes for 1986 over 1985; Cabinet Head increased by 30%, Judical 12% (increase), charges on Public Debt 26% (increase), Finance increased 33%, the Ministry of Agriculture, Lands and Fisheries, a slight increase of only 6%, both Health and Education and Culture and Youth Affairs 11% (increase), External Affairs, Economic Development, Tourism and Energy 19% (increased) and the Ministry of Legal Affairs and Attorney General receiving an improvement of 20%.

The 1986 Budget was indeed an improvement on the proceeding 1985, if only from a reduction in the deficit which a traditional standard used in evaluating Budgetary Planning. The deficit of Expenditure over Revenue for 1985 was EC$8,826,827. The Budget for 1986 reduced the deficit to a mere EC$675,942. In his regard we must applaud the financial planners for the hard work reflected in the 1986 State Budget.

/9317
CSO: 3298/383

BRIEFS

ITALIAN LOAN--St Johns, March 20--Italy has approved a loan of U.S. 10 million dollars to Antigua and Barbuda for the second phase of a feasibility project to redevelop the island's capital, St Johns. Tourism Minister Lester Bird said the project's aim is to turn the city into a commercial duty-free centre, which will feature numerous tourist-oriented goods. He said it seeks to bring the tourists out of the hotels and into the city to shop and explore the different aspects of Antigua and Barbuda's culture. [Excerpt] [Bridgetown CANA in English 1716 GMT 20 Mar 86 FL] /9317

CSO: 3298/388

ARGENTINA

MONTONEROS JOIN PERONIST REVOLUTIONARY FACTION

Montoneros to Abandon Armed Struggle

Buenos Aires AMBITO FINANCIERO in Spanish 26 Feb 86 p 5

[Passages enclosed in slantlines printed in boldface]

[Text] The self-described "revolutionary Peronists" yesterday formalized their birth as a faction of the Justicialist movement. At least this was what their spokesman, youth leader /Pablo Unamuno,/ reported.

According to Unamuno, the national board of the recently formed group consists of /Mario Eduardo Firmenich/ (who is imprisoned in Devoto, accused of kidnapping and murder), /Fernando Vaca Narvaja/ (a fugitive from justice, accused of a variety of crimes), /Roberto Perdia/ (known by his nom de guerre "El Pelado," and also a fugitive), /Enrique Olguin, Jorge Cepernic, Ines Lopez, Edgardo Zuain, Nelva Falcone, Jorge Reyna, Emilio Persico, and Pedro Montero./

As could be expected, the "Montoneros" demanded the "non-payment of the foreign debt and the completion of the renegotiation of dependence," in addition to calling for the resignations of Ministers /Juan Vital Sourrouille, Antonio Troccoli and Dante Caputo./ The first question that comes to mind is what the principal Peronist leaders think of the new internal faction made up of the same people whom Peron once expelled from the Plaza de Mayo, branding them "stupid and naive." One might also wonder what the labor elements in that political organization think of this group, considering that its main exponents decided on and participated in the murders of Vandor, Alonso and Rucci. It is well known that the principal opposition party is undergoing a difficult period internally, and there is no doubt that this new "addition" will create even more controversy. Perhaps that is the "Montoneros'" goal.

Debate

One positive aspect of yesterday's announcement is that the "Montoneros" are apparently abandoning the armed struggle to deal with the political debate. This issue must have been debated by the top leaders of that political-military group in some Latin American country.

It is difficult to imagine how the "revolutionary Peronists" are going to be directed when their most important leaders are in prison or on the lam.

Political Leaders' Reaction

Buenos Aires AMBITO FINANCIERO in Spanish 27 Feb 86 p 5

[Text] The establishment of a Peronist faction made up of well-known Montoneros (Firmenich, Perdia, Vaca Narvaja) came as no surprise to observers who are studying similar processes in Uruguay (the case of the Tupamaros) or the phenomenon of "mainstreaming" through democratic means. We thought it would be interesting to hear the opinion the Argentine political class has of this political comeback by the Montoneros, who always preached "Neither forgive nor forget."

Cesar Jaroslavsky: The establishment of the Montoneros as an internal faction of Peronism is a problem the Justicialists must deal with. I feel sorry for them. But this is something that will be useful for us in doing away with masks in politics. Personally, I do not trust the announcement made by the new faction. They must now face a concrete problem of credibility. If their emergence as an internal faction of Peronism is an act of repentance, I welcome it, but I do not believe it. As long as there are people like them around, I plan to sleep with one eye open. They have caused a lot of damage to the country.

This gives me the same feeling I would have if Camps were released and stated that he is forming a political force to defend democracy. I cannot help but be biased in my view of those who caused such tragedy in this country. I do not forgive either side; I will never forgive them.

Maria Julia Alsogaray: Essentially, the Montoneros used violence to carry out their plan for changing the social structures. This is just the opposite of what the democratic political parties have done. We believe that our program is as revolutionary as theirs, if not more so, but we have always felt that changing the system requires a consensus. It is hard for us to believe that those who did not believe in consensus, but rather in organized violence, are now prepared to accept the political struggle.

Guillermo Manrique: This is an indication that the old cells that advocated the violent destruction of this country are still active. In this case, they are looking for a good place to settle down. I am convinced that the idea of majority rule that prevails in Justicialism runs counter to the philosophy of this incipient group. But I believe that if we do not proceed rapidly to ensure its political extinction, we run the risk that it will contaminate others intelligently and astutely.

Nestor Perl (national deputy for Reform Justicialist Party): Before talking about the emergence of revolutionary Peronism as an internal faction of the party, I would ask myself whether all those who belong to it are party members. If they are, they have every right to form an internal group. And if there is any ideological problem with the positions they advocate, the disciplinary tribunal will have to judge them, not I.

Alberto Natale: The name Montoneros is associated tragically with what happened in Argentina during the last decade. Those who inspired and encouraged it are responsible for having selected a path that caused the holocaust of so many young people. If in 1986 they sincerely renounce the methods they used to employ, in order to take political action on the civilized terms inherent in democracy, then we can conclude that our horrible past has taught us some lessons. It does not matter if we also disagree with their ideas; what matters is that we all be willing to defend our own while respecting others'.

Raul Bercovich Rodriguez (president of the Justicialist Party national congress): I am not familiar with the document they issued, or with what they said at the press conference. I do not know what they want, or what objective they will pursue. Anything that represents a sincere defense of democracy, freedom and social justice is fine with me. But all that must fit within the Peronist doctrine. I will have a better idea as soon as I study the document. For now, I can only say that to build an internal faction they must be members, and they must adhere to the Peronist doctrine in every way. For example, for Vaca Narvaja to be active in the party he must have joined up again in 1983, when we all had to confirm our memberships.

Marcelo Arabolaza (Intransigent Party): The formation of a new internal faction of Peronism cannot be dealt with outside that party. We have no opinion on that, because the leaders and members of the Peronist movement must deal with it. Regarding their proposals, anything that represents a true and sincere desire to seek democracy as the only possibility for strengthening public liberties is appropriate. Argentina needs the rehabilitation and self-criticism of all the sectors which participated in and affected what happened during those difficult years, and we hope that the events of the future will reflect this new democratic attitude.

Rogelio Papagno (labor union leader of the Justicialist Party and of the 62 Organizations): If what the newspapers say is true, I reject it out of hand. There is no Montonero Peronism. The general himself threw them out of the Plaza. They are not Peronists. If they want to form a party, that is up to them, but they have never been Peronists.

8926
CSO: 3348/464

ARGENTINA

UBALDINI'S EMERGENCE AS MAJOR POLITICAL FORCE ANALYZED

Buenos Aires EL ECONOMISTA in Spanish 28 Feb 86 p 20

[Text] Before we plunge into the always tricky area of political hypotheses and venture predictions about whether Saul Ubaldini ("the" candidate) will run for governor of Buenos Aires Province, we need to take a brief yet revealing look back at the meteoric political career of the leader of the brewery workers union. This will provide valuable signposts for exploring the brilliant current prospects of the secretary general of the CGT [General Confederation of Labor] and, at the same time, for more or less accurately predicting his future, which so far looks very bright.

Without question, the emergence of the union activist in the forefront of Argentine politics is due to an almost circumstantial and involuntary combination of factors (it is highly unlikely that there could have been such superbly planned maneuvering). In the first place, the infighting within the labor movement intensified towards the close of the military government and extended into the period before the elections. Secondly, Peronism has been suffering from a deep-seated crisis of leadership ever since March 1976, and lastly there is Ubaldini's undeniable "carisma" and the diversity of tactics that he has employed.

To all of the above, however, we must add a fourth relatively important element: Ubaldini's apparent apolitical nature, that is to say, his alleged reluctance to join any of the union factions that are facing off against each other in the "union internal struggle," in spite of the ties between many of his allies and the "25."

An analysis of the above leads to the deduction that Ubaldini's rise has little to do with the existence of his own organization, especially considering that the union to which he belongs is not one of the largest or most politically influential.

Nevertheless, 1986 finds him at the summit of union power, having become one of Peronism's national figures (perhaps the only one?).

How do we explain Ubaldini's rise? Jorge Caterbetti, one of the men with links to the "Peace, Bread and Jobs" groups that are pushing Ubaldini's candidacy, has asserted that he intends to "unify Peronism based on the natural leadership that Ubaldini exercises over the party's activists."

Perhaps the answer to the enigma is contained in the words "natural leadership."

Even though it rankles many, the unquestionable fact is that Ubaldini exercises a sort of leadership over Peronism's scattered ranks. This is true even if we acknowledge that many of the brewery union leader's "successes" are due to the strength of the unions with which he has allied himself.

This factor, which might have been very important in the past, has been relegated to a secondary status at present. Ubaldini's star now shines with its own light (though through an outside organization) in the Argentine political firmament, and his gubernatorial bid is proof of this.

Although Ubaldini himself has come out and denied the rumors, the fact is that his candidacy is constantly on the minds of certain labor leaders, especially those who feel that the political sector of the Peronist movement does not have much of a chance today of defeating the ruling party.

Within this school of thought are the so-called "five Latins": Juan Farias (Construction), Aldo Serrano (Light and Power), Pedro Goyeneche (Textiles), Ruben Pereyra (Sanitation Works) and Miguel Candore (Union of Civilian Personnel of the Nation). They, together with Juan Zanola (Bank Workers), Cesar Loza (Longshoremen), Domingo Solimano (Teachers) and Jose Pedraza (Railway Workers), were the ones who paved the way for Ubaldini to occupy the top CGT chair alone and who are pushing the new labor union strategy for the foreign debt and the staging of the Unity Congress.

But when all is said and done, what chance does Saul Ubaldini have to become Casella's opponent at the next election? Every chance in the world and none at all. In the first place, the launching of Ubaldini's candidacy seems to have been, rather than a definite bid, a message to the political sector aimed at making the brewery union leader part of any future internal negotiations. At the same time, however, these are the first tactical probings towards forming a solid union structure, with political backing albeit without much ideological consistency, in an effort to vie for posts with the Radical Party and head towards the 1989 presidential election.

Conjecture aside, the fact is that unless the political sector recovers from its prolonged and dangerous lethargy, control of the Peronist movement will change hands (the transfer of power is already silently under way), and the characteristics of the opposition will undergo a very rapid transformation.

8743
CSO: 3348/465

CGT SCORES POLICE REPRESSION IN CORDOBA

PY022319 Buenos Aires TELAM in Spanish 2347 GMT 1 Apr 86

[Text] Buenos Aires, 1 Apr (TELAM)--The General Confederation of Labor (CGT) has issued a communique on the incidents that occurred on 31 March in Cordoba after a demonstration staged by dismissed workers.

The CGT stressed that we had not seen this kind of show since 30 March 1982 and that the demonstrators, including the women, were wildly attacked and beaten.

The communique stated that police used mace, clubs, and all sorts of blunt objects, and that repression was so wild that the policemen ended up beating each other.

The document, entitled: "The Government Begins Dialogue With Repression," stressed that three Buenos Aires Province deputies were directly attacked, and that this shows that the government does not respect the rights of labor and political leaders.

The communique added: We have staged rallies throughout our country without a single incident on the part of the workers, and now it is the government which has resorted to violence.

The document stated that on 2 April, CGT Secretary General Saul Ubaldini and other labor leaders will travel to San Nicolas to convey their solidarity to the SOMISA [Argentine Iron and Steel Association] workers, who began to struggle for our sovereignty and for our national interests after the government announced that the company will be transferred to the private sector.

The CGT communique added that we will struggle to prevent the international monopolies from turning this company, which promotes our industrial growth and strengthens our economic independence, into an instrument for their strategy of dominating world markets.

After stating that on 2 April the CGT will express its support for the SOMISA workers, the document concluded by recalling those who fought in the Malvinas Islands in defense of our sovereignty.

/9599
CSO: 3348/492

CONGRESSIONAL APPROVAL OF ARMED FORCES RESTRUCTURE EXPECTED

Buenos Aires AMBITO FINANCIERO in Spanish 5 Mar 86 p 11

[Text] There was an odd get-together yesterday at the headquarters of the Joint Chiefs of Staff. Gathering there were national Congressmen Alende (Intransigent Party), Zubiri, Bisciotti and Moreau (Radical Civic Union), Melon and Macaya (Peronist Party) and Alsogaray's daughter (Democratic Center Union), all of them members of the House Defense Committee. In subsequent separate statements over the radio, they voiced their agreement with Brig Teodoro Waldner about the scaling down and overhaul of the Armed Forces scheduled for this fiscal year.

Brigadier Waldner told the legislators that the weapons systems of the various branches had to be standardized so as to simplify procurement and cut maintenance and infrastructure costs. As Defense Ministry sources indicated, "this is a need that stems from current economic conditions and the realities of rapid technological change, which entails high costs for outfitting and training personnel, and if such costs are not cut, the financial demands will go completely out of control."

The brigadier told the lawmakers that "the military must be professionalized because modern technology is becoming increasingly important in the Armed Forces." Waldner reported in detail on the efforts that the Joint Chiefs of Staff are engaged in with regard to the plan to streamline the Armed Forces and the steps that will be taken in 1986.

Jaunarena

Defense Secretary Horacio Jaunarena, who also attended the meeting between Brigadier Waldner and the legislative committee, felt that the head of the Joint Chiefs of Staff and the lawmakers had "a very interesting conversation." He emphasized that "it is very helpful to the Executive Branch for the Legislature to inform itself about and voice its opinion on these issues."

With regard to the professionalization of the Armed Forces, he explained to newsmen that "the issue of the professional soldier or the draftee has not yet been spelled out or resolved." He went on to say that "what we do have is a commission at work in the Defense Ministry that is made up of people from the ministry, the Joint Chiefs of Staff and the service branches."

Modernization

He indicated that the commission "is looking into the modernization of compulsory military service and would have to decide whether in the future the Argentine military will be professional or, as it does now, continue working with draftees."

Jaunarena also felt that the commission would come up with some findings this year, but he clarified that "in any event no spectacular short-term change is foreseeable."

8743
CSO: 3348/465

BRIEFS

NAVY RELATIONS WITH NATO SCORED--Buenos Aires, 28 Mar (TELAMO)--The Communist Party of Argentina (PCA) today charged that the relations the Argentina Navy maintains with NATO (North Atlantic Treaty Organization) jeopardize a policy which seeks world peace and are an affront to the memories of those who fell in the Malvinas. In a communique signed by PCA Press Secretary Jorge Bergstein, the PCA states that during the closing ceremony of a meeting of representatives of the Argentina, Brazilian, Uruguayan, and Paraguayan Navies on 21 February, Rear Admiral Cosentino, the Argentine Navy representative, emphasized NATO's acknowledgment of the Argentine participation in the operation "Expanded-Sea-84." The communique adds that Defense Minister German Lopez and Defense Secretary Horacio Jaunarena attended the meeting. In conclusion, the PCA communique asks the executive branch to explain this flagrant contradiction between its foreign policy which champions peace and disarmament and the Navy's attitude of cooperation with such an aggressive military organization as NATO, which cooperated with the invaders of our Malvinas Islands, and bears allegiance to U.S. imperialism. [Text] [Buenos Aires TELAM in Spanish 0035 GMT 29 Mar 86] /9599

ALFONSIN CRITICIZES U.S. POLICY--Argentine President Raul Alfonsin has said that U.S. President Ronald Reagan's attitude in support of the Nicaraguan counterrevolutionaries is not correct. President Alfonsin expressed his feelings to Thomas O'Neill, speaker of the U.S. House of Representatives, during his visit to Buenos Aires. Raul Alfonsin also strongly criticized the trade protectionist policy practiced by the Western powers, especially the United States, and added that such a policy is what causes the low prices for Argentine products and creates difficulties in finding markets. [Text] [Havana International Service in Spanish 2300 GMT 2 Apr 86] /9599

CSO: 3348/492

ARUBA

LAGO REFINERY NOT TO REOPEN; DISMANTLING PLANNED

The Hague ANP NEWS BULLETIN in English 12 Mar 86 p 4

[Text] Oranjestad (Aruba), March 12)--The 300,000-barrel-per-day (BPD) Lago oil refinery on Aruba, closed by U.S. oil giant Exxon in March 1985, will not reopen, the special envoy of the Dutch government Emile van Lennep said last night.

Van Lennep, a former secretary general of the OECD, said that after a thorough examination of the situation the Aruban Government had decided there was no future for the refinery.

The tiny Dutch Caribbean island would now open talks with Exxon on the dismantling of the refinery installations, he said.

Van Lennep said he had been asked to advise Aruba in these talks and would put the request to the Dutch government in The Hague.

Aruba intends to make Exxon pay for the dismantling which, according to estimates here, will cost 50 to 100 million U.S. dollars.

Hitler Slogan

The island has said it will also seek compensation for environmental damage caused by the refinery.

In October Aruba's previous administration demanded 250 million dollars in compensation from Exxon, but the oil company rejected the claim and said it would contest it in court.

The Lago refinery was built in 1927 and began refining crude oil from nearby Venezuela in 1929. Over the years it had become the mainstay of the island's economy.

During the Second World War it played a crucial role in supplying fuel for allied aircraft and refinery workers coined the slogan "Let Hitler boil in Lago Oil." But in the 1980's the refinery fell victim to the slump in world demand for oil and surplus refining capacity in the Caribbean region.

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CSO: 3200/17

CHILE

JOURNALISTS PROTEST TREATMENT BY CARABINEROS

PY030202 Santiago Radio Chilena in Spanish 1700 GMT 2 Apr 86

[Excerpts] [Indistinct passage omitted containing the recording of a heated argument between Carabineros and reporters] Regrettably, this type of dialogue between reporters and members of Carabineros is now very frequent. The journalists protest attacks against them by Carabineros when they are working on the street. The Carabineros refuse responsibility and they deny that these repeated incidents against reporters take place.

The heated argument that we have just listened to took place today at noon in front of the Metropolitan Cathedral. Approximately 400 people, including employees of the Vicariat of Solidarity and members of the Relatives of Detained-Missing Group, demonstrated demanding justice on the first anniversary of the kidnapping and killing of three professionals whose murderers have not yet been captured.

The demonstrators tried to read a public statement on violent deaths in Chile, when they were harshly repressed by a special force of Carabineros. The police first used mace, continuing with tear gas and ended up using water mixed with chemical gases.

When Veronica Baez, president of the Matrons Professional Association, was angrily protesting to a Carabineros officer about the attack that Carabineros had carried out against her, photographers took pictures of the incident. At that point, the police attacked the reporters violently beating them with truncheons, fists, and feet. Reporter Jaime Cavada, a member of the Independent Photographers Association, AFI, got the worst beating.

An undetermined number of people was detained by the police, including an Argentine social security worker, who is visiting our country.

At 1220 [1620 GMT] the incidents were taking place throughout the whole of Santiago's main plaza. These incidents were carried out by pedestrians who were protesting Carabineros' repression of the demonstrators, who had to withdraw into the Cathedral.

Meanwhile, Pablo Portales, president of the Metropolitan Council of the Journalists Professional Association, told Primera Plana about the results of his talk with the officer in charge of the unit that attacked the reporters.

[Begin Portales recording] The officer in charge of the special force of Carabineros has promised to instruct his personnel not to attack reporters, because a group of photographers was attacked just a few minutes ago here in front of the doors of the Vicariat of Solidarity, and this attack took place after the demonstrators had been dispersed.

We have protested this type of incident on 31 March, when we met with Commander (Diarte) at Carabineros headquarters. He belongs to the Public Relations Department and who is a colonel. [end recording]

Portales said that his association will continue to lodge protests at Carabineros headquarters until the Carabineros understand that they must respect the press when it is carrying out its tasks.

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CSO: 3348/493

CHILE

BRIEFS

UNIVERSITY STUDENT DETAINED--Emilio Banda, vice president of the Student Federation of the Tarapaca University, has been arrested by the Carabineros. The student was in the Engineering College, on the Northern Campus of the university, distributing an invitation to the students asking them to participate in the national mourning of the educational sector and in a mass that will take place today at 1700 [2100 GMT] on the (?Sauquache) Campus. The arrest took place this morning at 0930, when the uniformed police arrived at the university. The police first talked with Luis (Kitson), dean of the Engineering College, and then proceeded to arrest Banda. Banda's whereabouts are unknown, but it is presumed that he is under arrest at the Third Precinct of this city. Approximately 300 students are at this time in the offices of the university's rector and with shouts they are demanding the release of their leader. [Excerpt] [Santiago Radio Chilena in Spanish 1700 GMT 2 Apr 86] /9599

CSO: 3348/493

COLOMBIA

OCAMPO COMMENTS ON MARITIME BORDERS WITH NICARAGUA SCORED

Lopez Letter to Michelsen

Bogota EL TIEMPO in Spanish 18 Mar 86 pp 1-A, 8-A

[Passage between slantlines in boldface in original]

[Text] Former President Alfonso Lopez Michelsen yesterday asked President Belisario Betancur to convene the Foreign Relations Advisory Committee to determine once and for all whether there is a dispute between Colombia and Nicaragua over maritime borders.

Lopez found it odd that Foreign Minister Augusto Ramirez Ocampo is unaware that we have yet to delimit maritime and underwater areas and the continental shelf with Nicaragua. He added that "thanks to God and to the efforts of the president, we have excellent relations with Managua's Foreign Ministry," which ought to be taken advantage of to begin direct talks.

"My modest opinion is that no Colombian, much less the republic's foreign minister, could concur with or unknowingly promote such an assertion, which runs counter to the policy of successive administrations. As Dr Ramirez Ocampo himself would say, this must be a mistake," Lopez emphasized in connection with the Colombian foreign minister's stand.

In his letter the former chief executive, who makes reference to the interview published in this paper, says that if Foreign Minister Ramirez Ocampo were to travel less and read more, he would realize that we have to negotiate a treaty with Nicaragua.

The former president writes that he presumes that Ramirez Ocampo's interview with EL TIEMPO "must have been discussed with the president as to its language and content, inasmuch as it dealt with delicate issues involving our sovereignty. Even though the judgment of the Advisory Committee is not binding on the administration, inasmuch as the president alone makes foreign policy, I would feel more at ease and sleep better if some of its members shared by point of view, which is inspired by no less patriotic motives than those of the members of the administration."

Lopez, who is headed overseas today, wrote the following letter:

President Belisario Betancur

Mr President:

On the eve of my absence from the country for a few weeks, I was surprised to read in EL TIEMPO that the republic's foreign Minister, Dr Augusto Ramirez Ocampo, has stated emphatically that Colombia has no pending border dispute with Nicaragua.

He says: "No patriotic Colombian can contend that our borders with Nicaragua are uncertain." And he adds: "I am profoundly convinced that the published statements of former President Lopez with regard to the dispute with Nicaragua are in error. He served as president of the republic and foreign relations minister. He therefore knows quite well that our borders with Nicaragua are precisely defined by the Barcenas-Esguerra Treaty. All administrations have maintained this position, which is in keeping with our country's clear-cut traditional stand on the inviolability of international treaties."

I did serve as foreign relations minister, and Colombia's claim to its rights over the Roncador, Quitasueno and Serrana keys, which culminated triumphantly in the Vasquez-Saccio Treaty, emerged from my pen. It is also true that as president I began the demarcation of the maritime and underwater areas between Colombia and Ecuador, between Colombia and Panama in the Atlantic and the Pacific, between Colombia and Costa Rica in the Atlantic and with Santo Domingo and Haiti, thus dispelling any doubts as to our borders with those countries. Our borders with Venezuela, Honduras, Jamaica, the Caymans and Nicaragua, which is the toughest nut to crack, are still uncertain both in light of the Law of the Sea and because we have not yet reached a direct compromise. I made note of this in a recent speech in Armenia when I asserted that the national government was paying more attention to the problems between the Central American countries than to the demarcation of our maritime borders, which were still uncertain with some of those countries.

I do not think that I support the inviolability of government treaties any less zealously than Dr Ramirez Ocampo does. Perhaps, though, because I traveled less and read more while I was foreign minister, I can reiterate most forcefully and irrefutably that we have to negotiate the delimitation of our maritime and underwater areas with Nicaragua, as we have done with the countries that I mentioned above. Invoking the Barcenas-Esguerra Treaty on Colombia's ownership of the islands in the San Andres and Providencia Archipelago and Nicaragua's ownership of Mangle Grande and Mangle Chico, using the 82nd meridian as a reference point, is hardly an argument for not holding talks with Nicaragua on maritime areas and the continental shelf. It would be like regarding any dispute with Venezuela as a thing of the past, citing the treaty that our two countries signed while Dr Eduardo Santos was president. No. If our land borders with Venezuela have been irrevocably defined, it still remains to spell out our rights inside the so-called Gulf of Venezuela, just as we must clarify our rights in the Caribbean in the area between the San Andres Archipelago and the Nicaraguan coast. Ten years ago, Nicaragua granted oil leases to U.S. multinationals in this disputed area, forcing

Colombia to protest vigorously in a note that the current foreign minister might not be familiar with. Otherwise, we are accepting the Nicaraguan argument contained in the book by the internationalist Luis Pasos Arguello, according to which there is nothing to be demarcated between Colombia and Nicaragua.

On page 58 of his book "A Colonialist Enclave in Nicaragua," published by Union in 1978, the Nicaraguan writer says the following: "It is from this physical fact (that Colombia and Nicaragua do not share a land border) that the geographical inconsistency that is the subject of this book arises. There is no land border dispute; the entire territories of the republics of Costa Rica and Panama lie in between; and the border disputes with those nations have been settled with Colombia's consent. Yet Colombia has continued to claim rights to Nicaraguan territory, without the two countries sharing any land border, over an area that is extremely far from its own territory. Colombia has now taken another even more geographically inconsistent position, claiming that even though it does not border Nicaragua by land, they are border States by sea. A colossal absurdity. They are not neighboring States, not even by sea, and /thus no demarcation of maritime borders is in order"/ (my emphasis).

My modest opinion is that no Colombian, much less the republic's foreign minister, could concur with or unknowingly promote such an assertion, which runs counter to the policy of successive administrations. As Dr Ramirez Ocampo himself would say, this must be a mistake.

I had observed that there was never any mention of demarcating our maritime borders with Nicaragua (there are no other borders). But I never imagined that failure to do so was based on a belief like the one that I heard expressed in the foreign minister's words. I thought that the omission was due to the excessive attention being paid to Nicaragua's problems with its neighbors, never to the possibility that our Foreign Ministry was convinced that there was no dispute whatsoever. The text that I cited above is less radical than Nicaragua's traditional policy since the Somoza era of not recognizing the Barcenas-Esguerra Treaty. It acknowledges the treaty's validity, as the Managua government has not until now, but it denies that the San Andres Archipelago is entitled to its own shelf and exclusive economic zone, claiming that there are no disagreements because there is nothing to be discussed. This unfortunately concurs with what the Colombian foreign minister said in yesterday's edition of EL TIEMPO.

Availing myself of the right of petition, as enshrined in the National Constitution for all citizens, I very respectfully ask the president to convene the Foreign Relations Advisory Committee to determine once and for all whether we in fact have no borders to define with Nicaragua, as the foreign minister and the Nicaraguan Government are saying.

Thanks to God and to the efforts of the president, we have excellent relations with Managua's Foreign Ministry, and consequently this is a fine time to begin direct talks with Nicaragua. By reaffirming the validity of the Barcenas-Esguerra Treaty, such talks will enable us to delimit our maritime borders in a friendly manner, in keeping with the principles governing the international community in these matters. I presume that, as is customary, the interview that I have been referring to must have been discussed with the president as to its language and content, inasmuch as it dealt with delicate issues involving our sovereignty. Even though the judgment of the Advisory Committee is not binding on the administration, inasmuch as the president alone makes foreign policy, I would feel more at ease and sleep better if some of its members shared my point of view, which is inspired by no less patriotic motives than those of the members of the administration.

Respectfully yours,

Alfonso Lopez Michelsen

Ramirez Ocampo's Response

Bogota EL TIEMPO in Spanish 19 Mar 86 p 3-A

[Text] Foreign Minister Augusto Ramirez Ocampo yesterday stated that his disagreement with former President Alfonso Lopez Michelsen concerned Colombia's sovereignty over the islands of San Andres and Providencia, adding that the former Liberal Party chief executive is now talking about a different issue.

This was the minister's reply to former President Lopez' letter to President Betancur, in which he expressed his surprise that Ramirez Ocampo and the Nicaraguan Government concurred that there was no need to demarcate the maritime borders between the two countries.

Lopez Michelsen was referring to Ramirez Ocampo's statements as published in EL TIEMPO and called for the Foreign Relations Advisory Committee to meet and voice an opinion on the matter.

The foreign minister said that he was very pleased that his interview in EL TIEMPO gave Lopez Michelsen the opportunity to spell out his views "with the meticulousness and seriousness that such issues demand," inasmuch as he had initially voiced them at an impromptu press conference in Armenia.

"At that conference," Ramirez Ocampo said, "he talked about sovereignty over the islands of San Andres and Providencia, and this is what I questioned in the interview, because the sovereignty issue was permanently settled in the 1928 Esguerra-Barcenas Treaty."

The foreign minister indicated that former President Lopez, "with his customary brilliance," is now discussing a different issue, the demarcation of maritime and underwater areas with Nicaragua, "which the government has of course been analyzing."

Landazabal Cites Nicaraguan Threat

Bogota EL TIEMPO in Spanish 20 Mar 86 p 8-A

[Interview with former Defense Minister retired Gen Fernando Landazabal Reyes by Roberto Pombo; date and place not given; first four paragraphs are introduction]

[Text] Retired Gen Fernando Landazabal Reyes, a former defense minister, has called on Foreign Minister Augusto Ramirez Ocampo to resign, asserting that "he seems more like the foreign minister of Nicaragua than of Colombia." Landazabal has also now suggested that the Colombian Government ought to halt Contadora activities until the Sandinist regime spells out its position on our country's sovereignty.

Landazabal decided to speak out on the issue in the wake of the foreign minister's statements on the demarcation of maritime and underwater borders and the response from former President Lopez Michelsen, who called for the Foreign Relations Advisory Committee to meet and take a stand on the matter.

The former defense minister is convinced that Nicaragua's aim is to strengthen its domestic revolution, arm itself under the pretext of the "contra" threat and then "launch a surprise attack against our islands, for which it will have the support of Cuba or Russia."

Landazabal Reyes' fears are based on the Nicaraguan constitution and laws, which not only state that San Andres and Providencia and the keys belong to Nicaragua but also oblige the government to disavow the treaties that contradict that position.

[Question] What do you think of the foreign minister's statements on the demarcation of maritime and underwater border areas with Nicaragua?

Landazabal: All Colombians ought to be worried about how relations are being handled at the moment with a country like Nicaragua, which has a social, political and economic system that is diametrically opposed to the Colombian people's concept of the State and of politics. Moreover, we know that Nicaragua has become, as President Reagan put it so well, a beachhead for the expansion of communism in Latin America. The most worrisome thing, however, is that "the law on the continental shelf and the adjacent waters," as set forth in Article 2 of Decree No 205, as published in the GACETA, Nicaragua's official gazette, gives the following geographic definition of the country's national sovereignty: "Nicaragua's sovereignty and jurisdiction over the waters adjacent to its coast extend to 200 maritime miles." And Article 3 says: "National sovereignty and jurisdiction over the continental shelf and the adjacent waters also encompass and extend to the air space and to all islands, keys, banks, reefs and other geographic accidents within the limits defined in preceding articles, whether they are above the surface of the water or submerged, as emerging from and attached to its continental shelf." But the most disturbing part for Colombian sovereignty is contained in Article 5 of the same decree, which reads: "All of the natural resources contained in these areas of sovereignty and jurisdiction are the patrimony of the

Nicaraguan nation (and I want to underscore what follows), regardless of whether Nicaragua does or does not occupy the previously defined zones." The following districts are regarded as part of the department of Zelaya: Bluefields, with a surface area of 9,244 square kilometers; El Rama, with 6,232 square kilometers; Muelle de los Bueyes, 1,380 square kilometers; Corn Island, 12 square kilometers; San Andres, Providencia and keys, 77 square kilometers.

[Question] That is an old definition.

Landazabal: It was published in the GACETA on Thursday 20 December 1979, which is identified as number 88. To delve more deeply, though, the Political Constitution of the Revolution, under the section "The Supremacy of the Constitution," says the following: "The present Political Constitution is the fundamental law of the republic, and all other laws are subordinate to it. The acts of government bodies, as well as any laws, decrees, regulations, provisions or treaties that implicitly or explicitly run counter to it or violate its provisions shall have no force whatsoever." Any intelligent person can thus see that the Nicaraguan constitution practically annuls the 1928 Esguerra-Barcenas Treaty.

[Question] But governments can make compromises.

Landazabal: The revolutionary government of Nicaragua has been reluctant to define its position on Colombia's sovereignty not only over the San Andres and Providencia Archipelago but also over our territorial waters in the area. If we bear this in mind, we must conclude that given its ambitions and given the importance of San Andres and Providencia to its own security, to its domination of the Caribbean and to its communications with Cuba, the Nicaraguan Government will continue, under the pretext of the contra presence on Nicaraguan soil, to arm itself even more inordinately than it has so far, not to defend itself against the contras but to spur on its people in the area of sovereignty, once the government of the revolution has been consolidated, to launch a surprise attack on our islands, for which it will have the support of Cuba or Russia.

[Question] What do you think of the Colombian Foreign Ministry's attitude in this regard?

Landazabal: No Colombian, much less the foreign minister, can be unaware of the strategic importance that our islands have taken on in view of the communist expansion on the continent. Trying to ignore or pretending to be unaware of this is turning one's back on the nation's major interests. Therefore, as a private citizen, I cannot understand how our government, through Contadora, continues to watch out for the survival of a revolutionary government that has set as one of its goals the takeover of an extremely important part of our sovereign territory. The consolidation of the Marxist revolution in Nicaragua represents an extremely serious threat to Colombia's sovereignty, and our government and our people cannot ignore such a threat.

[Question] Is this why you called for the foreign minister's resignation?

Landazabal: I feel that national sovereignty is indivisible and that in dealing with such important matters the Colombian foreign minister, whoever he may be, must not keep on defending the interests of governments that are inimical to our democracy and to our nation. This would be unethical and unpatriotic and would falsely suggest to public opinion that our very clear and legitimate claims to territorial possessions are unjust and invalid.

[Question] So what do you think ought to be done?

Landazabal: I think that the Colombian Government could at this point halt Contadora activities until Nicaragua spells out its position on our sovereign rights. Moreover, I think that we should undertake every diplomatic effort to solve the problem, so that the government and people of Nicaragua clearly establish that the archipelago of San Andres and Providencia, with the continental shelf and the territorial waters that it gives rise to, are part of the sovereign territory of the Colombian nation.

[Question] Do you agree with former President Lopez' criticisms of the foreign minister?

Landazabal: I agree completely. Dr Lopez sounded the alarm at the right time. As a man who has pursued and is familiar with diplomatic strategies, he sees Nicaragua's military buildup not as a simple defense of its internal political order but as a most serious threat to our territorial integrity.

[Question] That is the same criticism of Nicaragua that President Reagan has voiced.

Landazabal: I feel that instead of continuing to support the presence of the Sandinist government in Nicaragua through Contadora, Colombia ought to back the position of the United States, whose clear-cut and longstanding policy has been to defend our democratic system and to support the preservation of our sovereignty.

8743
CSO: 3348/485

ARIAS' BROTHER ON CAMPAIGN ROLE, UPCOMING RESPONSIBILITIES

San Jose RUMBO CENTROAMERICANO in Spanish 21-27 Feb 86 pp 7-9

[Excerpts] Rodrigo Arias Sanchez, the brother of the president elect of Costa Rica and the former director of his campaign, wants to transform his political successes into governmental achievements, whether it be in the legislative assembly or as a member of the cabinet of the future social democratic administration.

This young and able businessman involved in strategy is the "key man" in the transfer of authority, and the executory arm of the leader, Oscar Arias Sanchez.

Specifically, he was elected as a deputy by the faction of legislators in the National Liberation Party (PLN), and he will join the parliament next May to serve as the intermediary between these legislators and the incoming officeholder.

But he is also the interlocutor of the current minister of the presidency, Danilo Jimenez Veiga, with whom he is coordinating the future actions of the government with the current public administrative cadres.

In the vocabulary of Rodrigo Arias, the words "dialogue" and "consensus" stand out, and he rejects political ambitions. As director of the campaign which will keep the PLN in power for 4 more years, he believes that his real triumph was in the reunification of the party and its mobilization for the achievement of a common goal--making his brother Oscar president of the republic.

In May of 1985, Arias granted his first interview to RUMBO CENTROAMERICANO, and at that time he predicted his group would win at least 650,000 votes in the 1986 elections. In fact, the final tally showed a total of 620,314 votes for the PLN. His calculation was almost exactly right.

This is no modest triumph for this former alderman who is 40 years old. He was the founder of such institutions as the Union of Chambers, the Costa Rican Private Enterprise Institute (INCOSEP) and the National Stock Market. He has now been elected to the legislative assembly for the first time. In his opinion, the campaigns of the next government should be oriented toward .pa implementing the housing program, generating more jobs and reactivating the national economy, as well as combating corruption.

"My only concern at this time is my great awareness of the serious reponsibility Oscar Arias has taken on as the president elect of Costa Rica. Our people consider him the best person to direct the destiny of this country for the next 4 years," he said.

Party Unity

Directing a political campaign means assuming full responsibility for this contest, in all its aspects, in the view of Rodrigo Arias Sanchez.

"This does not mean that without my participation, success might not have been won, but I am proud to have achieved the total integration and complete union of the PLN, something regarded as impossible at one given moment," he said.

This leader admits that his political group experienced some very difficult months in 1985, particularly after the national assembly session in June, when the candidates for the parliament were chosen.

"The party reached its lowest level in July and August," he emphasized. This was due to internal resentments and unsatisfied ambitions.

His first step in command of the campaign, then, was to "smooth the initially harsh differences and seek to achieve an internal balance, so as to allow us all to get the cart to its destination, with no one pulling in the other direction."

"It was my first task to appoint administrative cadres to carry out the day-to -day work, and then to provide for participation by all of the important political leaders, so that they could play a role within the campaign," he added, mentioning the incorporation of the secretary general, Rolando Araya Monge, former president Daniel Oduber, Alberto Fait and others.

"Daniel Oduber provided his total support in the last 5 months, working with me on the evaluation of political problems. We assigned him a schedule of specific visits. I entrusted Alberto Fait with election-day coordination, while Mario Carvajal was very active in the organization of the computer centers, which was a decisive factor," he stated.

Rodrigo Arias also participated in the discussion which defined the "campaign issues." His team also included political theorist Jorge Urbina, as press officer, and Fernando Zumbado, heading the candidate's staff.

"This was a unique experience. There is no such job description as 'campaign director'," he said, adding that he believes that this position should join together two basic things--administrative ability and political judgment.

Despite his enormous influence on the direction taken by the PLN, Rodrigo Arias is not an ambitious man. "I have no interest in a political career. In the post that I hold, my only responsibility now is to contribute to making the next government a great one. Within 4 years I will return to my peaceful private activities, as before. I have no other interests."

The Future Cabinet

The former campaign director is one of those working with the president elect on making decisions. In his view, there should be no deadline for the official announcement of the future cabinet, so that the new president "can take all the time necessary to assess possibilities and to talk with the future officials."

Legislative Consensus

"Independent of the post I may hold, my main task in the future government will be to coordinate the legislative bench with the executive branch. Only thus can the projects be moved forward. A consensus is required in order to govern, and this coordination includes open dialogue with the other majority party, the Social Christian Unity Party (PUSC)," he said.

Whether as a member of the congress or minister of the presidency--although this is only speculation--his function will be mediation, just as it was when he headed the political campaign of his brother, Oscar Arias Sanchez.

"The minister of the presidency is the cabinet coordinator, and must serve as the focus for control and supervision, so that the other ministries can really implement the basic guidelines of a government program," he asserted.

The housing problem will, then, be one of the priorities for the future administration, and the Liberation Party leader believes that all of the political groups are aware of this and are prepared to pass legislation to resolve it.

Another of the important projects involves shortening the national political campaign. "The experience we have all had of a precampaign period of a year and another year of campaigning should not be repeated in Costa Rica again."

He expressed the view that this is "an exhausting effort. The time comes when political action by the government is almost paralyzed, as is the economy of the country, in large part. On the basis of this experience, we are promoting a draft law, which has already been submitted to the legislative assembly and has been approved by a majority, calling for a reduction of the political campaign period, and as a result the political debt, to 2 1/2 months." He said he was certain that the PUSC will agree on approval of this legislation.

Other Goals

The Liberation Party leader expressed the view that "the great campaign themes must be converted into the great themes of action for the next government."

He said that the implementation of the program for economic reactivation is basic. "Only through greater production and greater investment can the need for greater employment be met."

The Arias Sanchez administration is expected to undertake administrative decentralization, so that the important functions "will be carried out and can be taken over by the respective communities."

In this way, political decision-making will fall to the people. He said that those who are most knowledgeable about regional needs are those who live there, and "not a bureaucrat sitting in his office."

"We believe that only in an atmosphere of peace is it possible to achieve the economic reactivation of this country," he emphasized, and he defends the theme of peace as a basic policy of the newly elected government.

In addition, he urged a revision of the laws on corruption, "in order to analyze what measures can be proposed such as to ensure stricter control."

5157
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CUBA

MARCOS' REMOVAL SEEN AS RESULT OF U.S. INTERVENTION

Havana GRANMA WEEKLY REVIEW in English 9 Mar 86 p 10

[Article by Arnaldo Musa, GRANMA international staff]

[Text] THE STORY of Ferdinand Marcos' overthrow was written and then carried out by Washington. Its main author was Philip Habib. On February 23, one hour before Philip Habib left Manila, Defense Minister Juan Ponce Enrile and Lieutenant General Fidel Ramos, deputy commander of the armed forces, started a rebellion against President Marcos after saying that they had done some soul-searching and had concluded that Marcos was guilty of fraud in the elections. Prior to this, both men had been in touch with the U.S. embassy.

President Reagan's special envoy Habib is a seasoned expert in throwing up political smokescreens to conceal outrageous interference in other countries' affairs. He was responsible for the latest landing of the Marines in Lebanon.

Ponce Enrile admitted that he met with Habib the day before the rebellion, while the United States views West Point graduate Ramos as the ideal man to reorganize the military and, according to EFE, "make it more effective in the struggle against the guerrillas" of the New People's Army.

Reagan sent Habib to Manila again on February 24 to "solve the political crisis" by dumping Marcos. Twenty-four hours later Marcos was aboard a U.S. plane on his way to the United States.

Events in Manila came at a time when businessmen, clergy, students, workers and radical organizations had joined together against Marcos with unprecedented and extraordinary speed. This makes Washington fear that the mass upsurge can go beyond certain conventional limits, such as a mere change of those in office, and jeopardize its political, economic and especially military interests in the Philippines. Thus, the United States decided to dump Marcos, until now its vital ally, which was what the masses in the Philippines wanted.

And there's the rub.

The two biggest U.S. bases abroad are located in the Philippines: Clark and Subic. They are the weighty reason why the White House is trying to control any change at the summit of power which could in some way jeopardize those interests by leading to a greater nationalist and perhaps anti-imperialist upsurge.

A few days before the elections, Reagan had said that nothing was more important for the security of the United States, the Western world and the Filipinos themselves than the presence of those two bases.

Clark and Subic are basic elements in the Pentagon's network in the Pacific and Indian Oceans and all of Southeast Asia. They were rented to the United States until 1991 and their loss would be a heavy blow to Washington's anticommunist strategy.

Subic Bay naval base in the South China Sea, northwest of Manila, is the main operational and repair base for the U.S. 7th Fleet. Its logistic reserves are the most important of the U.S. armed forces. It has the largest naval supply station in the world, capable of storing 2.5 million barrels of oil and other lubricants. It has shipyards and dry docks and is linked to Clark Field by a 70-kilometer oil pipeline.

Clark Field air base has a 3200-meter runway which can accommodate the biggest U.S. planes, including the B-52 strategic bomber and its successor the B1-B. It is the headquarters of the 3rd Air Force Tactical Squadron with some 800 men. It also has F-4 Phantom fighter bombers and transport planes as well as major storage facilities for ammunition and fuel. It is the biggest satellite tracking base and communications center for the CIA and Pentagon and the second largest U.S. base abroad.

With the Iranian precedent under its belt and in view of the unstable situation, the Pentagon set about looking around for places to move the bases if the need arose.

But apart from the cost of such a move (three to eight billion dollars), none of the other U.S. bases in the Pacific — Guam, Saipan, Tinian, Belau and Okinawa — offer the same advantages.

Subic Bay and Clark Field are simply irreplaceable, according to a recent statement by the Center for Strategic and International Studies at Georgetown University in the United States.

As can be seen, much stress is put on how the two enclaves "defend" the United States, although they are thousands of kilometers away.

Those aren't the only U.S. installations in the country, however. Others include the San Miguel naval communications station at the service of the 7th Fleet; Wallace air station, a communications center for the Philippines Air Defense System; and John Hay air station, a rest and recreation center for U.S. troops which also has a relay station for Voice of America broadcasts.

To all this we must add the fact that 160 major U.S. firms and banks have branch offices in the country. Safeguarding these military and economic interests is a top priority for Washington.

This explains why the United States is openly interfering in the country. It has keen interest in a return to stability and the development of a bourgeois democratic process, with some reforms and adequate financial controls, to eliminate the present situation of turmoil and try to prevent a popular revolutionary upsurge.

A few months before the elections, a U.S. daily commented on a State Department report that contended that immediate U.S. objectives did not include the departure of Marcos or the destabilization of his government but rather the revitalization of democratic institutions, an end to Marcos' cronies monopolies, a return to nonpolitical professionalism in the armed forces and preparing a replacement within the current regime to prevent the revolutionary forces from taking power because of political and economic chaos.

The United States is worried about the increase, development and organization of guerrilla activity by the New People's Army in several provinces and the structure of its political arm, the National Democratic Front. It is therefore making great efforts to normalize the situation in this country with a foreign debt of 26 billion dollars.

For the last few years Washington has been in contact with and giving aid to the so-called legal opposition against Marcos, especially Benigno Aquino who was murdered in 1983 when he returned to Manila from temporary exile in the United States. Now his widow, Corazón Aquino, the opposition candidate, has been named head of state by General Ponce.

To protect its interests and given the worsening domestic political situation, the United States has sent the nuclear powered aircraft carrier Enterprise to Subic, escorted by two submarines and 11 warships, an unusually high concentration of ships and forces on the base.

A new stage opens in the history of the Philippines, an archipelago of 7017 islands and a population of 54 million.

/13104
CSO: 3200/20

CUBA

SPORTS OFFICIAL'S COMMENTS ON OLYMPICS SHARPLY REBUKED

Havana GRANMA WEEKLY REVIEW in English 9 Mar 86 p 9

[Text] ● A LITTLE over a week ago, Mr. João Havelange, president of the Fédération internationale de football association (FIFA), held a press conference at the National Institute of Sports, Physical Education and Recreation (INDER) following his visit to our country, where he attended the opening and closing session of a course for trainers.

We recalled and wrote down that in response to questions from Comrade Mastrascusa, who asked his opinion about the division of the 1988 Olympics between the two Koreas, he said that the question should be put to Samaranch (head of the International Olympic Committee) and not to him. But his view was that if an agreement was reached he would gladly accept it — in terms of soccer — because he wants to avoid trouble.

Havelange continued his Caribbean tour and, according to news agencies, when he was in the Dominican Republic he said "the only two paths" opened to Cuba in the world Olympic movement were to accept its decisions or get out.

According to AFP, "Havelange was referring to comments by Cuban President Fidel Castro that the international Olympic movement 'is headed by mafiosi'.... Since Cuba is an IOC member the only two paths open to Fidel are those previously mentioned."

It would seem that this time Havelange forgot that Samaranch is the IOC president and not he, answering out of turn. But there are more important things to point out and we will do so.

In 1966 the U.S. government ordered its colonial puppets in Puerto Rico to prevent the Cuban delegation to the Central American and Caribbean Games in San Juan from entering the country. Cuba sent a large and determined contingent on the merchant ship Cerro Pelado and after waiting offshore they were able to compete and win.

When Mr. Vázquez Raña betrayed Latin America and deprived Cuba of the right to host the 1987 Pan American Games, giving them to Indianapolis, Indiana, at a price of 25 million dollars, Fidel denounced the cowardly deed. In a letter to Samaranch, our president indeed pointed out the corruption and commercialism prevailing in the Olympic movement. He also expressed Cuba's firm support for the idea of holding the 1988 Games in both halves of Korea because the south is governed by a criminal dictatorship and filled with U.S. military bases.

How, then, can Havelange say that "the only two paths" which Fidel and Cuba have are to obey what the IOC orders or get out? We will be there, as we are at the UN, to denounce wrongdoing, no matter who is responsible for it, now that it has reached outrageous levels.

Havelange, who is such a good speaker, could have said here what he said in the Dominican Republic. He had plenty of opportunities with the questions asked at the press conference.

We simply remind him of one thing: Cuba neither sells out, nor yields.

Nor does it remain silent.

Nor can it be silenced by presidents be they Reagan or Havelange.

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CSO: 3200/20

CENTRAL BANK REPORTS ON 1985 AID, LOANS RECEIVED

Santo Domingo LISTIN DIARIO in Spanish 7 Mar 86 p 1D

[Article by Jose Romero]

[Text] Foreign aid in various forms, whether as credit, donations, advances, or postponed payments, had a strong impact on the Central Bank's records last year. Without this aid, it would have been practically impossible for the bank to end the year with "manageable" deficits.

The bank's annual statement-report reveals various signs of this invaluable international cooperation. Most of it came from the United States, directly from the president of that country or from specialized agencies, specifically the Agency for International Development (AID).

The cooperation of other friendly governments, as well as that of multilateral financial institutions, was also strongly felt. Mexico and Venezuela figured prominently among those governments.

One of the most positive aspects of the fiscal year was the creation and implementation of the Foreign Debt Department, which had not existed before. Its purpose is to follow up on foreign credits, oppose certain debts that it does not deem appropriate, and maintain good relations with financial institutions.

Several countries agreed to allow the continuation of agreements to facilitate the postponement of payments through central banks, and the continuation of commercial arrangements that had expired. The same is true of energy and science and technology cooperation agreements approved by Jamaica, Brazil and Colombia.

Another important phase of the international cooperation we received was when our principal creditors, the governments of countries such as the United States, Japan, Germany, Spain and Italy, gave their approval for the Club of Paris to renegotiate nearly $300 million in debts. In addition, international organizations such as the International Monetary Fund (IMF) and the World Bank issued a favorable opinion which led the international commercial banks to restructure $797 million in foreign loans that had fallen due. Now the terms have been extended to 1989.

The Inter-American Development Bank (IADB) maintained close ties with us through local representation in various loans and technical cooperation operations with the Technical Secretariat of the President's Office, the National Planning Office, and each of the national agencies in charge of carrying out the projects financed with funds from that bank.

In this regard, it indicated that it did not oppose a number of requests for technical cooperation and small projects which were approved throughout the year. These projects included technical cooperation for Women Applied to Industry (MAI) and the Pro-Development Association of Santiago (ADEMI) [as published], and the financing programs for Small Projects for the Microbusiness Association (ADEMI), Women Applied and the Pro-Development Association of Santiago.

The IADB also approved new loans: $150 million for Manabao-Bejucal-Tavera, $28 million for the Haina Breakwater, $72.5 million for the Comprehensive Program for Agroindustrial Credit, and $55 million for the Second Stage of the Industrial Reactivation Program.

World Bank

The World Bank approved two loans for the country during the year, and sent a number of missions, such as the Export Promotion Projects Mission, the Agriculture Sector Study Mission, the Nizao Irrigation Project Supervisory Mission, the Agriculture Sector Analysis Mission, the Export Promotion Mission, the Pre-Assessment Mission for the Santo Domingo Electrical Expansion Networks Projects and the Las Placetas Hydroelectric Orientation Mission, the mission to supervise the Lot and Services Projects in Haina and Sabana Perdida, and the North Coast Project Mission.

AID

The Agency for International Development played a particularly important role with regard to the due dates for loan payments in 1985, and the coordination of the additional programs that had received financing.

It gave five donations to the country: two for $95 million as economic support for the adjustment program signed with the International Monetary Fund; one $2.5 million donation for the promotion of agroindustrial projects; another for $6 million for the promotion of exports and foreign investment; and a fifth one of $430,000 for a program to supply water in rural areas. The latter program will be carried out by CARE Dominicana.

Under Agreement PL-480, it approved $38 million to finance part of the country's basic foodstuff imports on easy terms.

It also approved an agroindustrial loan of $17.3 million for the Investment Fund for Economic Development (FIDE).

Venezuela

During the year the 6th Economic Cooperation Agreement was signed with the Venezuelan Investment Fund (FIV). Under that pact, the FIV will finance 20 percent of the value of our oil bill, up to an average daily volume of 14,000 barrels, for a 1-year renewable term.

The Dominican pesos generated by that agreement have been earmarked for financing development projects in accordance with the priorities established by the Technical Secretariat of the President's Office. The first project approved by the FIV under this agreement is the La Joya Project, for 50.6 million bolivares and $14.94 million. The agreement as a whole encompasses 96.8 million bolivares.

The Venezuelan fund also approved the following loans: $16.5 million for asphalt cement, to be provided to the city government of the National District and Public Works; $2 million for the second stage of the Alto Yaque del Norte Project, to be disbursed to the National Institute of Water Resources (INDRHI); $3.5 million for small hydroelectric projects on the Alta Yaque Bao, to be paid to the Dominican Electricity Corporation (CDE); $24 million to the National Office for Land Transportation for the purchase of buses; and $21.9 million to the Santo Domingo Aqueduct and Sewerage Corporation (CAASD) for the Santo Domingo La Joya Aqueduct Project.

Mexico

The Financial Agreement with the Mexican Government was also signed for the use of the San Jose Agreement funds. This included a credit of $36.8 million, of which $16.8 million was earmarked for paying off the debt to the ICANTROBAS consortium, and the remaining $20 million for financing the Yaque del Norte project that INDRHI is executing.

The financing granted under the Agreement on Credit Facilities with the Mexican Government represented the purchase of petroleum valued at $124.6 million, of which 80 percent ($99.7 million) was paid in cash, and the remaining 20 percent ($24.9 million) was financed. The amortization of $24.1 million in Matured Certificates of Deposit had to be deducted from that financing.

The aid received was used for a variety of efforts aimed at facilitating the improved development and execution of the loans and programs that are financed through reciprocal credit pacts and financial and economic agreements with various friendly countries.

These agreements include one with Nationalist China to finance agricultural equipment for planting rice (through the Agriculture Secretariat), and one with Argentina to extend by $10 million the line of credit for importing goods.

8926
CSO: 3248/305

FRG GRANTS DEVELOPMENT LOAN TO CDE, CEA

Santo Domingo LISTIN DIARIO in Spanish 7 Mar 86 pp 1, 14

[Article by Tulio Navarrete]

[Text] The Dominican Republic and the Federal Republic of Germany yesterday signed a contract for a loan of 25 million Deutsche marks (about $12 million) to finance development projects undertaken by the Dominican Electricity Corporation (CDE) and the State Sugar Council (CEA).

Of that amount, 10 million marks will be used for energy projects, and the rest for the agricultural portion that is being developed by the CEA.

The loan was granted by the FRG Reconstruction Credit Institute.

One paragraph of the contract states that if FRG should give the Dominican Government at some subsequent date the opportunity to obtain from the Credit Institute "new loans or financial contributions for preparation, or financial contributions for necessary flanking measures designed to carry out and maintain the aforementioned projects, the present contract shall be applied."

The pact was signed at noon yesterday by Foreign Minister Jose Augusto Vega Imbert on behalf of the Dominican Government, and Ambassador Ulrich Schoning on behalf of the German Government.

CEA Director Victor Manuel Baez and CDE Administrator Marcelo Jorge were also present.

Vega Imbert and Schoning gave speeches at the ceremony, expressing their satisfaction with the scope of the loan. They also confirmed the ties of friendship that bind the Dominican and German peoples.

Article 2 of the contract states that "the use of the aforementioned sums--25 million marks--as well as the conditions for granting them and the procedure for adjudicating commissions, shall be set forth in the contracts to be signed between Kredit Anstalt fur Wiederaufbau and the recipient, under the current legal provisions of the Federal Republic of Germany."

It also stipulates that the projects mentioned in the contract--energy development and development areas under the CEA--may be replaced by others if the government of the Dominican Republic and that of the Federal Republic of Germany so agree.

In addition, the financial contributions for flanking and preparation measures, as specified in the contract, "shall become loans if they are not used for such measures."

Vega Imbert

Foreign Minister Vega Imbert said that it is well known that the country has made an effort to bring its economy back to health through an adjustment program and by fulfilling its "external obligations, in the interests of reorienting them toward goals involving the growth of national productive capacity."

Ambassador

Ambassador Schoning stated that the two programs indicated in the loan contract have been defined by common agreement between the two governments, on the basis of a change clause that is specified.

8926
CSO: 3248/305

DOMINICAN REPUBLIC

SPAIN TO BUY 90 PERCENT OF TOBACCO PRODUCTION

Santo Domingo LISTIN DIARIO in Spanish 10 Mar 86 p 1

[Article by Maximo Manuel Perez]

[Text] The Dominican Republic has reached an agreement with Spain whereby it will export to that European country more than 90 percent of its tobacco production this year.

Reliable sources also report that an understanding was reached on the price to be paid for the product, which was cut by 20 percent in the middle of last year.

The source indicated that negotiations are underway to export the remainder of the crop to the United States.

It was explained that last year the country exported more than 35,000 kilos of light tobacco, and this year 40,000 to 45,000 kilos of the product is expected to be sold.

"Export mechanisms similar to those applied on other occasions have been set up, so that sales can be carried out as effectively as possible," stated the source.

This means, according to reports, that a marketing channel made up of 12 export firms and two native factories has been established. These, in turn, have a network of dealers who handle various communities or nuclei of producers.

It was noted that the tobacco sector directly employs some 50,000 people in the country, and is responsible for some 350,000 jobs indirectly.

According to this source, President Salvador Jorge Blanco, through the National Agriculture Council, issued several measures designed to guarantee the success of the current tobacco crop.

The source also explained that it is possible that the income from Spain's tobacco purchases will total some $40 million.

Spain has always been the principal buyer of Dominican tobacco, and although last year it cut prices by more than 20 percent, sales held firm through the end of the year. They will pick up again in the coming months, when the harvest is completed.

The agricultural agency has been discussing the matter of tobacco, and in conjunction with that it has also analyzed the profit margin exporters could receive. It depends primarily on their income from sales and on the price they pay the harvesters.

The source recalled that since the income from sales is determined principally by the export price, which exporters cannot negotiate, they derive their profit margins from the price they pay to the harvester.

The effects of the tobacco marketing crisis, which began in mid-1985, caused the country to lose more than $20 million, it was reported, while various measures had to be taken to guarantee the predicted production.

8926
CSO: 3248/305

BRIEFS

DIRECT FOREIGN INVESTMENTS DECREE--Quito, 2 Apr (REUTER)--It has been officially announced that direct foreign investments in private companies that edit newspapers and magazines, in commercial radio and television stations, or in advertizing agencies to be created in the future, is prohibited. A decree issued by President Leon Febres Cordero made known this evening by Government House establishes that foreigners who directly or indirectly participate in the ownership of communications media have 4 months to transfer their shares or partnership to Ecuadoran persons or enterprises. The decree explains the measure noting that it is convenient "to establish clearly the sectors in which foreign investments will not be allowed" and authorizes the directors of the companies to see that the decree is complied with. The decree notes that foreign investors who currently participate in the ownership of advertizing agencies can participate in future capital increases planned by a particular agency as long as the foreign investment percentage does not increase. [Text] [Buenos Aires REUTER in Spanish 0209 GMT 3 Apr 86] /9599

OIL PRICE DROP EFFECT--Quito, 2 Apr (AFP)--According to official sources, the drop in the oil prices on the international market is severely affecting the Ecuadoran economy which depended on the crude to cover almost 70 percent of its export revenues. Ecuadoran oil dropped to $9.60 per barrel, its lowest level since it began exporting early in the last decade. To sell 170,000 barrels of oil per day, in long-term contracts, Ecuador uses the Alaska north slope as a reference but it charges $1.34 less per barrel for freight and transportation. According to Energy and Mines Minister Javier Espinosa, at the current price the country will not earn $900 million. This is the reason for its financial difficulties and necessitates a change in budget plans because the national budget for this year was based on the revenues obtained from the sale of oil at $24 per barrel. [Excerpt] [Paris AFP in Spanish 0350 GMT 3 Apr 86] /9599

CSO: 3348/484

POINT SALINES AIRPORT NOW 80 PERCENT COMPLETED

St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 3

[Text] The Point Salines International Airport is now "eighty percent operational" following the commissioning of the new arrival lounge.

"There are a few infrastructural adjustments, additional buildings and renovations that have to be made that will make it fully operational," P.S.I.A's Manager, David Lander has said. This, he said, will take about a year.

Mr Lander says, the airport has to provide warehousing facilities for those who want to store goods overnight, and a "fuel farm" to service aircrafts. "Funding for the programmes have already been approved, and it's just a matter of time really," the P.S.I.A. told journalists here.

By the time the airport is fully operational, they will take on an additional 50 workers.

Meantime, Mr. Lander has reported that they are creating an area for public parking. Users of the park, he said, will have to pay a fee.

He has also appealed to the taxi-men at tha airport to understand the workings of an international airport and do not try to "whisk away" visitors as soon as they emerge from the arrival lounge "before they have a time to breathe".

The Point Salines International Airport was begun by the Leftist People's Revolutionary Government with Cuban-aid, but following the U.S intervention in 1983 during which Cuban workers were expelled, mainly American and Canadian donors stepped in.

The airport was opened on October 28, 1984, by Sir Paul Scoon, with the terminal building partially completed. A temporary wooden structure, that once housed Cuban workers, was used as an arrival lounge.

With the commissioning of the new arrival lounge, the wooden structure has been broken down.

The plaque that was put up in the departure section by the Governor General at the airport's opening has been moved to the new arrival area. "It has not been taken and hidden away as one of the local press reported," Mr.Lander said

/9317
CSO: 3298/390

GRENADA

BANK REPORT CHARTS ECONOMY FOR THREE QUARTERS OF 1985

Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14

[Text]

ST. GEORGE'S, Mar. 27, Cana — GRENADA's balance of trade deficit for the first nine months of 1985 widened by $24 million (33 per cent) to $96 million and amounted to double the value of total exports, according to the Eastern Caribbean Central Bank (ECCB).

The Bank in its latest report said the increase in the trade deficit was mainly the result of a sharp rise in imports of $29 million (27 per cent) which was much larger than the increase in exports of six million dollars (15 per cent) during the period.

The ECCB report said the Grenadian economy showed signs of considerable recovery after the downturn of $1.6 million in 1983 and the very slight increase in total output in 1984.

It said there was an even more substantial increase in activity in the foreign trade sectors, particularly the two main foreign exchange earners of agriculture and tourism.

Cocoa Production Up

Merchandise exports, inclusive of clothing, increased in volume by almost 20 per cent. This substantial increase was achieved, in part, by higher production of cocoa and of fresh fruits in the agricultural sector and of garments in the manufacturing sector.

In even greater measure, however, the volume expansion in exports was the result of a substantial draw-down of nutmeg stocks and a smaller decrease in stocks of mace, the Bank said.

The Bank said that of the three traditional cash crops grown, only cocoa showed an increased level of production during the first nine months of the year, rising by 135 tonnes or 8.7 per cent to 1,699 tonnes over the same period in 1984.

Cocoa production was enhanced mainly by improvement in extension services and by the sustained prices which the Grenada Cocoa Association (GCA) has maintained by drawing down on its financial resources. The unit value of cocoa exported increased by 1.5 per cent to $6,026 a tonne.

Decline In Bananas

Exports of the most important cash crop reached $11.6 million or 12 per cent higher than a year before.

Production of Bananas, nutmeg and mace declined during the nine-month period by 5.2 per cent, 30.5 per cent and 28.4 per cent respectively.

Banana production continued its downward trend of recent years as output declined from 6,632 tonnes to 6,285 tonnes.

The volume of bananas exported declined correspondingly to 6,013 tonnes through there was a sharp increase in the unit value of bananas shipped to the United Kingdom of $133 or 14 per cent to $1,065 a tonne.

This reflected the more favourable exchange rate conditions prevailing after February when the US dollar began to appreciate.

Nutmeg production declined by 752 tonnes or 31 per cent to 1,718 tonnes largely because improved prices offered in 1984 had led to the response of larger collection in 1984.

The Bank said these improvements were not possible to the same extent in 1985, as collections fell even though prices increased by about 25 per cent.

However, the volume of nutmegs exported (mainly to West Germany, Belgium and Holland) increased by 426 tonnes enabling the Grenada Cooperative Nutmeg Association (GCNA) to reduce its accumulated stocks.

The export of fresh fruits which the Bank said continued to grow in importance increased by nearly 25 per cent to $11.4 million during the period under review.

Tourism Flourishing

The tourism industry continued to show signs of a recovery after the downturn in 1984 as total visitor arrivals to the island more than doubled to 103,663 during the period under review.

The upturn was marked by the number of cruise ship passengers which slightly more than quadrupled from 15,811 to 65,147.

Actual ship calls were up from 25 to 126.

Gross revenue during the first nine months of 1985 is estimated to have increased by about $15 million from $32 million earned in the first nine months of 1984, and will thus have contributed substantially to the gap on the current account of the balance of payments, the Bank said.

/9317
CSO: 3298/390

GRENADA

BRIEFS

VENEZUELAN FISHING AID--The Venezuelan Investment Fund will be providing capital assistance to the fishing industry in Grenada. This will be used to finance central storage and processing facilities for fish. Mr Raymond Steele, Manager of the Artisanal Fisheries Project who visited Venezuela last month where he also sought sources from which cheap fishing equipment can be imported, made the disclosure here. He said he also got an "experienced master fisherman" who would be coming to Grenada to work with fishing co-operatives. This "master" fisherman will stay in Grenada for one year, with expenses being paid by the government of Grenada. Two cooperatives have been formed recently at Victoria and Sauteurs, while another at Grenville has been revived. The fishing cooperatives will provide its members with cheaper fishing equipment and gas for their boats as well as proper storage facilities for fish. [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 17] /9317

JAMAICAN MEDIA ADVISER--Jamaican Ken Chaplin has been appointed as an advisor on the media to the New National Party Government of Herbert Blaize. Mr Chaplin, who began working with the service this month was one of the chief media coordinators for the visit of U.S. President Ronald Reagan last week. Mr Chaplin reports to Mrs Margaret Dowe, Permanent Secretary in the Ministry of Information. The Blaize administration has agreed "in principle" to create "one information service," so that Radio Grenada, the Government Information Service and government publications will come under one body, a government source has said. The source told the GRENADIAN VOICE that Chaplin's appointment is in keeping with this policy. [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 2] /9317

JOBS FORECAST--Four thousand people in Grenada will find work within the next four years according to the Ministry of Finance. The statement went on to say, however, that public sector employment is likely to decline in the period but will be offset by increases in hotel and other services. In a published document called "Planning the Horizon 1986 to 1991," the Finance Ministry says "infrastructural development, hotels, residential and non-residential construction are expected to create well over 50 percent of the new employment." The statement says "funds will be forthcoming for the construction of major segments of the road system, the addition of generators to boost the capacity of the electricity system, and the digitalisation of the telephone system." The Ministry of Finance, in its statement released last week, says it will implement a "development strategy" to achieve a real annual growth of three and a half percent over the next four years. It further stated: "To achieve the goals agriculture will have to be revitalised and diversified, tourism will have to expand and manufacturing will have to be stimulated as well as exports diversified." [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 3] /9317

CSO: 3298/390

VILLARGAN ON DEPUTY MINISTERS, CONTADORA MEETING

Guatemala City PRENSA LIBRE in Spanish 15 Feb 86 p 5

[Text] "The meeting of the deputy foreign ministers of Central America with the Contadora Group in Panama last week was not a failure, inasmuch as progress was made in peace efforts," the deputy minister of foreign relations, Francisco Villagran de Leon, said here.

The Guatemalan deputy minister attended the meeting with his Central American counterparts and the Contadora Group in Panama. The world press described the meeting as "a failure." Deputy Foreign Minister Villagran does not feel that it was, however, because it elaborated on the Caraballeda declaration, which provided that Contadora would continue its efforts for peace in the isthmus.

"One of the most important developments was the official confirmation that Costa Rica and Nicaragua were resuming diplomatic relations, which had been broken off in the wake of border incidents."

Villagran indicated that the points in the Contadora document were not discussed, but they surely would be at future meetings.

8743
CSO: 3248/309

DEFENSE MINISTER ON ARMS SALE, ARMY PURGE

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 18 Feb 86 p 1

[Text] National Defense Minister Gen Jaime Hernandez Mendez said today that Guatemala has not sold munitions to any country, inasmuch as the army's factory has a limited capacity.

The minister denied that any such sale has been made, inasmuch as production is limited to meeting the Guatemalan Army's needs. Nothing has been sold to any country, he asserted.

In answer to questions from newsmen about possible talks between President Cerezo and the subversives, he said that as the president announced, he would look into the possibility this year. "We will discuss the matter with him. If he feels it is a good idea, we will support him," he indicated.

With regard to a purge of suspected bad elements in the ranks of the military, as happened in the National Police, the minister said that there would be none. "We are a disciplined institution, and when someone commits a misdemeanor or a felony, the official procedure is to bring him before a military court for trial," he added.

The general also answered reporters' questions about the case of former Lt Col Edgar D'jalma Dominguez Lopez, who was discharged from the army and is applying for reinstatement. He stated that Dominguez is entitled to submit the appropriate petition, which will be considered by the legal advisory office of the Defense Ministry. "Pursuant to the advisory office's report and in accordance with the law, we will decide whether he can rejoin the army or not," the minister said in conclusion.

8743
CSO: 3248/311

DEPARTMENTAL GOVERNORS REPLACE MILITARY RULERS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 25 Feb 86 pp 1, 6

[Text] Yesterday afternoon, the president of the republic, Vinicio Cerezo Arevalo, swore in the 22 departmental governors, during a special ceremony which took place in the National Palace reception hall.

Officiating at the ceremony, in addition to President Cerezo Arevalo, was the vice president of the republic, Roberto Carpio Nicolle, as well as the minister of interior, Juan Jose Rodil Peralta.

The chief executive told the governors that their appointments had been made through a long process, very carefully, and after several analyses; because they would be responsible for tasks of particular importance to their respective communities.

He noted that one of these tasks is to represent the president of the republic in the departmental development council, because they will be responsible for coordinating efforts to solve the main problems confronting each department.

He added that, with the law in their hands, they would carry out the critical task to which they were appointed, namely, arriving at agreement and expending efforts for the benefit of the Guatemalan community.

The departmental governors begin their work today, after having been sworn in; and they will abide by the stipulations contained in Decree-Law 111-84 (with an amendment specified in Decree 12-86 of the Congress of the Republic) with regard to the inter-institutional coordinating boards.

But that will be temporary, while the legal provision is issued that will govern the development of the Regional Council for Urban and Rural Development and the departmental councils, as members of the National Council for Urban and Rural Development to be coordinated by the president of the republic.

The Congress issued the aforementioned decree precisely for this purpose, thereby replacing the military who occupied the top leadership within the inter-institutional coordinating boards. Now, the instructions will no longer be the responsibility of the chief of staff of defense, the director of civilian affairs of the defense staff, nor the commanders of military zones; but rather of the president of the republic, the vice president, and the ministers of state.

As coordinator, the president of the republic may be replaced by the vice president and the ministers by the vice ministers.

As for the departmental inter-institutional coordinating boards, they will be comprised of the departmental governor, as chairman; the mayors of the departments, the commander of the jurisdictional military zone, or the officer on whom that function is incumbent; as well as the officials of the department who hold regional or departmental leadership posts in the public sector agencies of each department.

Also serving on the departmental inter-institutional coordinating boards, according to the congressional decree, is a technical official from the General Secretariat of the National Council for Economic Planning, in the capacity of an adviser.

The departmental governors will have to perform their work temporarily within that entire organization, based on the instructions that they receive from the president or the vice president of the republic, so as to create the conditions that will allow for the development of all the towns in the interior section of the country, both in the urban and the rural areas.

Hence, there is a new concept of a "departmental governor," a new working mentality, whereby this official will no longer be an ornamental figure but, rather, a fundamental part of the towns' development and progress.

The departmental governor will be the pivot around which the entire government policy for decentralizing public administration will revolve; and therefore the most suitable persons, fully cognizant of the philosophy that inspires the president of the republic, have been sought.

Within a short time, the first results of the action taken by the departmental governors will have to appear. They will have the backing of the mayors of all the municipalities in the republic, of the government agencies and, primarily, of the Ministry of Development, to work in conjunction with the entities of the private sector, all with a single goal: the enhancement and development of the towns in the economic, social, and cultural areas.

It will have to be an intense endeavor for the departmental governors, wherein they will start up the policy of reaching agreement led by Marco Vinicio Cerezo Arevalo, constitutional president of the republic; so that all sectors of the citizenry, without discrimination of any kind, will become driving forces for national development, because the effort to cope with the economic crisis besetting the country is incumbent on all Guatemalans alike.

2909
CSO: 3248/282

INTERIOR MINISTER DENIES PLAN TO MILITARIZE POLICE FORCE

Guatemala City EL GRAFICO in Spanish 27 Feb 86 p 5

[Text] Guatemala City, 27 Feb--The National Defense Ministry has no intention of placing the civilian police force under its control, Juan Jose Rodil, the minister of the interior, asserted today during a visit to Congress.

The minister met with the Congressional Human Rights Committee to discuss this issue as it pertains to security forces.

Rodil Peralta said that the Interior Ministry's first task has been to regain control over police forces, inasmuch as any official from any other branch used to try to meddle in police matters. "The Finance Police must come under the authority of the interior minister," he added.

The lawmakers brought up community relations problems that are caused at times by the lack of training of law enforcement officers, by abuses of authority or by poor law enforcement.

Amending the Penal Procedure Code was mentioned as a good idea during the meeting.

To Travel to Caracas

Minister Rodil let it be known that sometime over the next few days he would be traveling to Caracas, Venezuela to present the Venezuelan Government with specific requirements for the assistance that President Lusinchi has offered in implementing the police and prison reform.

On this same issue, Rodil reported that a National Commission on Police Reform would be set up, adding that this was part of the effort to consolidate our democracy in the areas of security and respect for human rights.

8743
CSO: 3248/312

GUATEMALA

CABRERA DENIES RIFT IN CHRISTIAN DEMOCRAT BLOC; VIEWS BELIZE

Guatemala City PRENSA LIBRE in Spanish 15 Feb 86 p 7

[Text] "It is not true that there is a rift in the Christian Democrat (DC) legislative bloc; it is simply that four congressmen who backed our party's program are acting independently. There is no reason for them to observe party discipline," Congressman Alfonso Cabrera, the president of the Congress, stated yesterday.

The lawmakers in question are Carlos Gonzalez Quezada and Ana Maria Gonzalez Saenz from the Authentic Renewal Group, and German Scheel Montes and Edmundo Cancinos from the Authentic National Front. "These were support groups and they are going to go their own way because they want to form their own parties. We have given them the opportunity to stay."

"We respect their autonomy, but we are not going to break with them. They do not share the DC ideology but they supported us because they felt that our program was more viable. They will have ongoing contacts with me to discuss legislative matters. We will have their support, but there is no reason for them to observe party discipline."

No Quorum

"There is no reason to accuse the DC bloc of depriving Congress of a quorum. This is a parliamentary tactic. In any Congress, when there is no consensus on a matter or no agreement, the tactic is to deprive the session of a quorum.

"When we visit other congresses, I want to take some newsmen along so that they can see that it is customary to deprive a session of a quorum.

"It was done here because we saw that one congressman insisted on having a law repealed. We had already set up a committee to look into the matter, and we approved a decree loosening up imports.

"When we saw that this congressman was being obstinate in a bid for publicity, we deprived the session of a quorum. Furthermore, all of the blocs are represented among the officers of Congress, because we want to give them all a voice in the matters that we discuss."

Talks With the Guerrillas

"It is a misinterpretation to say that President Cerezo is going to talk with the guerrillas," he said at another point.

"We are creating a government of laws in which the three branches are completely independent of each other, and we are not going to do anything illegal.

"It was an extraordinary event for the heads of the three branches to attend the swearing in of the Court of Appeals justices at the Supreme Court yesterday. They gave a wonderful example."

Belize

As to whether Belize will be allowed to join the Central American Parliament, Congressman Cabrera said that the Belize problem has to be settled first.

"It is the responsibility of the president of the republic to seek an honorable settlement for Guatemala. When one has been reached, it will be submitted for the citizenry's consideration.

"If the people decide not to accept the independence of Belize, so be it. President Cerezo will decide, and the people will voice their opinion."

8743
CSO: 3248/309

DEPUTY ECONOMY MINISTER ON SALVADORAN TRADE, COMMON MARKET

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 18 Feb 86 p 1

[Text] The countries of Central America are determined to revive the economic integration process, and therefore measures that hurt us should not be taken, stated Eduardo Adolfo Estrada Galvez, the deputy minister of the economy in charge of integration.

He was referring to an alleged move by Salvadoran authorities to halt trade with Guatemala, asserting that there is no official information on this.

He said further on that our countries must join forces to pursue development policies and form a common front vis-a-vis the industrial powers.

He added that if the rumors were to be confirmed, a committee could be sent to El Salvador next week to talk with the authorities there in a bid to find ways of immediately resuming trade.

In addition, he stated that the government was unaware that vegetable exports to El Salvador had been halted. There is speculation that Guatemalan exporters might have taken such a step as a reprisal.

He added, however, that exporters are at complete liberty to ship their products out or not.

8743
CSO: 3248/314

FOREIGN GOVERNMENTS EXTEND $273 MILLION IN CREDIT

Guatemala City PRENSA LIBRE in Spanish 17 Feb 86 p 19

[Text] The governments of several friendly countries have offered Guatemala $273 million in loans to reactivate the country's economy, the Secretariat of Public Relations of the Presidency has reported.

One of the loans, which will reportedly carry favorable terms, is from a private American consortium, which has offered $200 million for the construction of low-cost housing.

Under its proposal, the consortium will reportedly charge an interest rate one percent lower than on any other loan that President Cerezo's administration negotiates.

In addition to a low interest rate, they are offering a 1-year grace period and a long payback term, and the government is thus looking into the offer, the official report adds.

The government of Argentine President Raul Alfonsin has given Guatemala a $30 million loan. It can be used for projects that our country deems urgent.

Our hospital system will also benefit from the loans. The Japanese Government will authorize an outlay of $3 million for outfitting hospitals all over our country.

The Spanish Government has offered Guatemala $10 million for the purchase of medicine. This is a so-called soft loan.

As far as farming is concerned, Spain's Banco del Agro has offered $30 million in revolving credit. The bank has specified that the proceeds should be used preferably in agriculture.

Peruvian President Alan Garcia has offered our country a small-farming project for the high plateau. The offer is being studied to ascertain which areas in the western part of the country need such a project the most.

8743
CSO: 3248/316

GUATEMALA

RULE 3 CALLED 'UNFAIR', REPEAL REQUESTED

Guatemala City EL GRAFICO in Spanish 24 Feb 86 p 35

[Text] Decree-Law No 149-85 provides for an increased tax on imports equivalent to the difference between the quetzal and the U.S. dollar. For example, if an import costs $100, the taxes are calculated on the basis of $100 multiplied by the value of the dollar. In other words, if the dollar stands at 2.9 quetzales when the taxes are paid at customs, the tax will be paid on 290 quetzales, not on the 100 quetzales that the item is worth. If the dollar were worth 4 quetzales, the taxes would be calculated on the basis of 400 quetzales.

Logically, this decree makes consumer goods even more expensive. It is an unfair law, because prices have risen as a result of inflation, and by boosting this tax the government will push them even higher.

The people have already lost much of their buying power and, therefore, cannot afford to meet many of their needs. This drop in buying power has been caused by undisciplined and irresponsible governments that spend more than they take in in tax revenue. The decree boosting taxes is thus even more unjust, because far from taking steps to cut spending, the government is hiking prices to secure more revenue, thus further punishing consumers.

Realizing that Decree-Law 149-85 will boost prices and thus adversely affect the citizenry and the economy, the government of the republic must repeal it.

Furthermore, the economic corrections that our country requires must be implemented through a comprehensive economic policy that stimulates development, encourages investment, production, job creation and higher wages and strengthens our currency. Greater intervention, tighter controls and isolated regulations will only worsen the situation and further lower the living standards of Guatemalans.

8743
CSO: 3248/316

CEREZO URGES SHARING OF WEALTH BY PRIVATE SECTOR

Guatemala City EL GRAFICO in Spanish 26 Feb 86 p 5

[Article by Jorge Mazariegos]

[Text] Guatemala City, 26 Feb--The president of the republic, Vinicio Cerezo, yesterday issued an impassioned appeal to the private sector to abandon its "selfish attitudes." He also pledged not to enact "surprise" regulations that could adversely affect the economy and not to make the devaluation of the quetzal official even though he acknowledged that it has, in fact, been devalued.

The Christian Democratic president spoke at the luncheon that the American Chamber of Commerce in Guatemala organized on the role of private enterprise in the consolidation of democracy. The session was attended by production sector representatives eager to see some indication at this time that the government is working on an economic recovery program.

The country hopes that private enterprise will fulfill its responsibility to produce and to create wealth "in order to share it with the people" at a time when 70 percent of the population is living in poverty, 33 percent in extreme poverty, the president indicated.

Cerezo Arevalo said that between 46 and 50 percent of the population are without jobs and "have to steal to survive." Therefore, to correct this situation, "wealth must be generated and shared."

The economic recovery program being drafted is aimed at correcting the underlying problem, not just exchange rate and financial problems.

"The private sector will see the program late next week so that it can analyze and discuss it. We are expecting an act of faith from a private sector that is willing to sacrifice and to listen to guidelines so that we can lead the country down the path of justice, equity and respect for the law."

The private sector must seek common ground and answers, not engage in criticism. This must belong to the past. "New ground rules must be established," Cerezo said, "and for its part the administration is prepared to fulfill its responsibility to respect the law and to run a government for all the people."

"The country has wealth. We have operating capacity for production. What are we waiting for then to come to terms? If we reached an agreement with the Armed Forces to establish democracy, why can't we reach an agreement with the private sector to solve our economic problem?" Cerezo emphasized.

"The economic recovery program that we are putting together seeks to facilitate the operations of private enterprise. We do not, however, want to devalue. We are reluctant to officially devalue our currency, even though it has already been devalued in effect."

He said that decision-making cannot be speeded up, inasmuch as we must have a clear view of what we want to do in the economic arena, because a misguided program could doom Guatemala.

In brief, President Cerezo gave the business community an outline of his economic policy, which will be presented to the private sector next week for its approval. It can be summarized as follows:

--There will be no official devaluation.

--The economic recovery program that is supposed to take effect next March includes the rescheduling of part of the foreign debt and exchange rate and financial measures.

--No surprise steps will be taken, as in the past.

--The budget deficit will be reduced in various ways, including a five percent cut in government spending, savings and sound spending guidelines.

8743
CSO: 3248/314

GOVERNMENT, PRIVATE SECTOR OWE 435 MILLION QUETZALES TO IGSS

Guatemala City PRENSA LIBRE in Spanish 12 Feb 86 p 18

[Text] The government, the decentralized bodies and private enterprise owe the Guatemalan Social Security Institute about 435 million quetzales in back contributions, the new manager of the IGSS, Dr Julio Francisco Penados del Barrio, reported yesterday.

At his first press conference he indicated that he would submit several options to President Cerezo for the government to pay off its 317-million quetzal debt.

The possibility was initially raised of canceling the government's debt, on the condition that it would promise to pay its debts punctually after the corresponding contract was signed.

"However," Dr Penados said, "President Cerezo did not accept this. He agrees that the government should fulfill the commitments it has contracted. One of the ways it could pay back would be to build the infrastructure that social security needs throughout the country."

The infrastructure would include hospitals all over the country, so that the IGSS could expand its program coverage, especially along the southern coast, where there are many workers.

Private Enterprise

Dr Penados indicated that he intends to see to it that private businesses pay back the 94 million quetzales they owe the IGSS. "To this end," he noted, "we will try to motivate them by providing excellent services, to show them that the contributions are worth paying."

In another vein, Penados del Barrio intends to provide immediate care through ambulance services, consultation clinics at factories and other services for patients or affiliates.

Decentralized Bodies

The capital city government and other decentralized bodies owe the IGSS some 24 million quetzales. Talks will be held with the representatives of these institutions to see how much each can pay back. Penados del Barrio asserted that the 8-million quetzal claim against the capital city government still stands.

Medicine

With regard to the supply of medicine for all social security units, he said that efforts are under way to secure enough foreign exchange to import the necessary pharmaceuticals.

No Firings

In conclusion, Dr Penados told all employees that they can rest easy because he has no intention of ordering dismissals; rather, he will encourage workers to help change the image of the IGSS.

8743
CSO: 3248/316

PENADOS HEADS SOCIAL SECURITY INSTITUTE

Guatemala City PRENSA LIBRE in Spanish 12 Feb 86 p 6

[Text] Yesterday, Dr Julio Penados del Barrio was sworn in as new manager of the Guatemalan Institute of Social Security [IGSS], during a ceremony led by the minister of labor and social security, Catalina Soberanis Reyes, and other state officials.

First, the minister read the resolution issued by President Vinicio Cerezo Arevalo; then she proceeded to swear in the new manager, who replaces Dr Juan Eduardo Sanchez Garcia.

Also present at the ceremony were the minister of public health, Dr Carlos Armando Soto; the chairman of the IGSS board of directors, Prof Otto Solorzano; Dr Roberto Rodriguez Montoya, mentioned as Solorzano's future replacement; and other social security board members.

Dr Penados, for his part, remarked that his administration would be directed toward improving the quality of the medico-hospital and economic benefits, as well as the expansion of the coverage in the different programs.

He said that, concurrently, programs for administrative development would be carried out to improve the productivity of the existing resources as well as the results in providing for the beneficiaries. "We have also considered redesigning the physical and medico-hospital infrastructure, both in the metropolitan and the departmental areas."

Dr Penados del Barrio, who has worked for social security over 15 years, noted in conclusion that he would soon announce his work plans in detail, which are consistent with President Cerezo's social policy aimed at enabling the largest number of Guatemalans to enjoy social security benefits.

2909
CSO: 3248/308

IMMIGRATION OFFICE 'RAMPANT' WITH CORRUPTION

Rodil Outlines Practices

Guatemala City PRENSA LIBRE in Spanish 20 Feb 86 p 6

[Text] "The General Directorate of Immigration is one of the most corrupt government agencies," Interior Minister Juan Jose Rodil Peralta stated yesterday at a press conference in his office in the national palace.

The minister, who did not mention names of individuals who might be guilty of administrative corruption, said that at border checkpoints, for example, Immigration employees demand money from people trying to enter or leave the country.

"We are aware that they even have set fees and that they do not provide receipts. All of this is illegal and criminal, and investigations will be conducted to establish responsibilities."

Illegal Chinese Immigration

The minister was asked by newsmen about the alleged immigration of many Orientals, mainly Chinese, since there is speculation that they have been charged large dollar amounts to enter Guatemala.

Rodil Peralta said that "there is nothing official on this," adding, however, that the current immigration authorities will establish controls to prevent further corruption and to apprehend the guilty parties and hand them over to the courts.

He went on to say that it is public knowledge that the law has been violated in the Immigration Directorate, in the form of administrative corruption, for example, and therefore the ministry is forced to make major changes in the National Police.

Government Action Sought

Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 10

[Editorial: "What Minister Rodil Says About the Immigration Service"]

[Text] The reports of corruption in various government agencies continue to snowball, and some, such as the one about a toy that cost some $300,000 and that is useless because it has not been maintained, are mind-boggling.

Interior Minister Juan Jose Rodil Peralta once again shocked public opinion when he flatly asserted that the Immigration Service has been one of the government's most corrupt agencies. His assertion seems a bit less forceful, however, because he spoke only about border checkpoints, where employees "collect money without providing receipts and have set fees, which are completely illegal."

Such corruption is a fact among the employees of the General Directorate of Immigration. All Guatemalans or foreigners traveling by land have had to put up with such extortion more than once. But the big money is not to be made at the border posts; it is or was made here in the capital, at the main offices. When newsmen asked Minister Rodil about the "Chinese affair," they were giving him the opportunity to discuss one of the major unethical practices that rumor has it exists in the directorate, which not long ago was described as having a "national security" function.

It is called "the Chinese affair," but it applies to any foreigner who wants to "buy" permanent residency in Guatemala as a prerequisite for Guatemalan citizenship.

The issue is so important that a few years ago newsmen learned that an immigration director had come to blows with a deputy interior minister in the latter's office, to the great surprise of ministry personnel, who intervened to separate the combatants. It was thought at the time that the incident had been prompted by an "immigration affair."

Rodil Peralta asserted that "the Immigration Directorate has been one of the most corrupt government agencies" and announced that the government would conduct investigations to establish the legal responsibilities of all employees implicated in criminal activities. The minister has another major task on his hands here.

Coining a phrase, Rodil Peralta has said that no matter how good a project is, it will not move unless we put wheels on it. The wheels will have to be quite large on the projects that he has undertaken.

Something important needs to be said at this point: For a long time we have heard announcements of investigations and more investigations, the enthusiasm for which dies down as the months go by. Let's wait and see what happens this time. The country needs a bit more than good intentions. It needs action.

8743
CSO: 3248/311

GUATEMALA

GOVERNMENT WITHDRAWS DEATH PENALTY PREROGATIVE

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 20 Feb 86 p 1

[Text] Foreign Minister Mario Quinonez Amezquita reported today that Guatemala would withdraw from the OAS Human Rights Commission the prerogative that it has asserted concerning the enforcement of the death penalty for common crimes and related political crimes.

The prerogative was approved by the Congress of the Republic at the request of the government that was in power from 1978 to 1982. It set forth the government's contention that it could continue to apply the death penalty in the case of common crimes and related political crimes.

The Foreign Ministry has asked the president to withdraw the prerogative in question, bearing in mind that it runs counter to the spirit of the Human Rights Commission and, furthermore, that the Political Constitution provides specifically that the death penalty cannot be applied to these crimes, Guatemala's number one diplomat asserted.

Thus, in accordance with the constitution, Guatemala will soon send a commission to the OAS to withdraw the prerogative. This move is in keeping with the government's clearly stated intention of fully respecting human rights in accordance with its signing of the human rights convention, Quinonez Amezquita said in conclusion.

8743
CSO: 3248/312

GUATEMALA

BRIEFS

GOVERNMENT FILLS KEY POSITIONS--Yesterday, the government of the republic announced new appointments of officials, including those of two vice ministers, the new general subdirector of the National Police, those in the educational area, and the new directors of certain hospitals in the republic. Named as second vice minister of foreign relations was Rodrigo Montufar Rodriguez, and as second vice minister of public health and social assistance, Dr Jorge Mario Izaguirre Estrada. The General Secretariat of the Presidency announced the appointment of the new subdirector of the National Police, naming to this position Infantry Col Ricardo Alberto Pinto Recinos. Eduardo Spiegler was named manager of PROLAC; Carlos Rene Escobar Montenegro, as coordinating secretary of the national board of out of school education; and Ruben Homero Jerez Mejicanos, general director of school education. Appointed to the health area were Drs Mario Rodolfo Gatica Palacios, as director of the Cuilapa national hospital; Juan Roberto Rodriguez Montoya, director of the Totonicapan hospital; German Ludwig Scheel Bartlett, director of the Quetzaltenango hospital; and Clara Luz Villeda de Saravia, to the Mazatenango hospital. [Text] [Guatemala City PRENSA LIBRE in Spanish 1 Mar 86 p 2] 2909

MAS ORGANIZES LEADERSHIP--It has been reported that the committee for the formation of the political party Solidary Action Movement (MAS) swore in its first provisional board of directors in Escuintla. This committee operates under the general secretaryship of engineer Jorge Serrano Elias, who said that the organizational process is being continued throughout the entire republic. Sworn in as MAS general coordinator in Escuintla was the architect Cesar Augusto Masella Barrera; as general secretary, Leonel Pantaleon Salazar; as assistant general secretary, Prof Adolfo Echeverria; as minutes secretary, accountant Martin Garcia; and as organization secretary, Enrique Cabrera Valle. It was noted that MAS came into existence as a result of the new legislation which the government is promoting in the electoral area, seeking, among other things, solidarity among its members as a fundamental basis for democracy and complete political integrity. In administering the oath, engineer Serrano Elias remarked that MAS is aimed at forming the first political force in the country based on the principle of the rights of its members and on the cooperation of all, to attain the necessary strength and organization required for every majority party, as this political group already is; one in which Guatemalans desirous of forming a new political force have found shelter. [Text] [Guatemala City PRENSA LIBRE in Spanish 27 Feb 86 p 27] 2909

LABOR UNREST--Guatemala City, Feb 15--A month after taking office as president, Vinicio Cerezo Arevalo is faced with his first labor crisis, as civil servants have announced a work stoppage to protest cuts in wages. Meanwhile, at the municipal level, Retalhuleu is another scene of social unrest, as the Christian Democrat mayor there, Marco Polo Villatoro, has been unable to halt a strike movement after establishing a single shift workday. Separately, employees at Guatemalan National Railways announced yesterday that they were prepared to stop working if the authorities at the semiautonomous agency continue their policy of no extra shifts or overtime pay. [Text] [Guatemala City EL GRAFICO in Spanish 15 Feb 86 p 9] 8743

DEFENSE MINISTER ANNOUNCES CHANGES--The national defense minister, Gen Jaime Hernandez Mendez, has announced a series of changes ordered by President Cerezo Arevalo, concerning members of the military specifically. He reported that Col Anacleto Maza Castellanos, who served as auditing manager of the national aviation company AVIATECA, has been appointed commander of the Guatemalan Air Force (FAG). Col Ronald Sandoval has been named commander of the Army Corps of Engineers. Col Francisco Castellanos Gongora is the new promoter of FYDEP [National Enterprise for the Economic Promotion and Development of El Peten]; and, finally, former minister of interior during Gen Efrain Rios Montt's regime, Col Ricardo Mendez Ruiz, has been assigned as military attache at the embassy in Venezuela. Up until the present, Colonel Mendez Ruiz had held that post in Argentina. [Text] [Guatemala City EL GRAFICO in Spanish 19 Feb 86 p 19] 2909

LEONEL APPOINTED POLICE SPOKESMAN--Commissioner Mario Ramirez Ruiz will no longer provide information regarding the National Police and commissioner Edgar Leonel Lorenzo, present director of the police institution's professional technical school, has been named to replace him. Ramirez Ruiz, who is also an elementary school teacher, held the position of National Police spokesman for several years on an honorary basis. He was first director of the institution's school, and is now first chief commissioner of the police third substation in zone 5. As was learned yesterday, the replacement of Ramirez Ruiz by Lorenzo was due to the fact that, because of the position that he held, the former had no time to deal with reporters, an argument that was not shared by the reporters covering the police source. The reporters noted that, in addition to having complete knowledge of police movements, Ramirez Ruiz was also a journalist, and during the entire period that he served as spokesman for the police entity, he maintained good relations with the press, and did not allow that institution to conceal official information, which would cause a distortion of the news. [Text] [Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 7] 2909

CSO: 3248/282

FOREIGN MINISTER CALLS FOR NONINTERVENTION POLICY

San Pedro Sula LA PRENSA in Spanish 1 Feb 86 p 3

[Text] The new foreign minister was introduced to the ambassadors and representatives of international organizations in a solemn ceremony held in the Manuel Bonilla National Theater at noon yesterday.

The new minister of the presidency, Jose Pineda Gomez, and the new deputy minister of foreign affairs, Guillermo Caceres Pineda, were also present.

Carlos Lopez Contreras was introduced by the senior adviser to the Secretariat of State for Foreign Affairs, Policarpo Callejas. He pointed out that Lopez Contreras' appointment is a professional triumph.

The new foreign minister stated that Azcona Hoyo's government is convinced that political systems resulting from free elections "are the necessary starting point to achieve domestic peace based on the promotion of human rights and international peace based on mutual respect."

The foreign policy of the new Honduran Government will be "the expression and clear reflection of its domestic policy--that is, actions of the state at the service of peace, security, and international friendship."

Concerning Central America, he added: "Honduras will clearly abide by the sacred principles of nonintervention in the affairs of other states and free self-determination of the peoples, as Azcona Hoyo proclaimed in his inaugural speech."

The minister emphasized: "We demand that the fraternal nations also respect our right to act according to our own principles."

Maintaining that peace is "the primary objective of Honduran foreign policy," the foreign minister repeated that Honduras will continue to endorse the negotiations of the Contadora Group and the Support Group formed last year.

Lopez Contreras told the diplomatic corps that he will encourage better relations with other peoples, countries, and international organizations.

After the foreign minister's message, the dean of the diplomatic corps, apostolic nuncio Monsignor Andres Cordero Lanza DiMontezemolo, said: "He will not have an easy task."

The Vatican's representative in Honduras praised the fact that Honduran foreign policy will be a reflection of its domestic policy. He wished Lopez Contreras good luck in his new job.

Lanza DiMontezemolo told the minister that he will have the cooperation of the diplomatic corps. He stated: "Peace is the product of cooperation among everyone."

Lopez Contreras, Pineda Gomez, and Caceres Pineda then greeted each accredited diplomat in Tegucigalpa personally.

7717
CSO: 3248/288

HONDURAS

CALLEJAS TAKES OVER PNH CENTRAL COMMITTEE

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 5

[Text] Tegucigalpa--Rafael Leonardo Callejas has taken over as chairman of the Central Committee of the National Party, and Enrique Rivera Lopez as coordinator of the party's Political Committee.

Chosen by the conventioneers to take charge of the National Party's future, in conjunction with other well-known party figures, they have already started working to prevent others from heading off their plans.

Gen Juan Alberto Melgar Castro, the former Central Committee chairman, officiated at the transfer of power.

Callejas asserted that the National Party has no role in the Azcona administration; it has a part in two branches of government as a result of its representation in the National Congress.

He said that the party is directly involved at the moment in the Supreme Court. This enables the party to see to it that the courts of first instance register its members without complications.

This government is not made up of Liberals and Nationalists. There are simply negotiations between two branches of government representing the ALIPO [People's Liberal Alliance]-Azcona coalition and the Callejas group, but there is no alliance of the traditional parties. The fact is that certain politicians want to confuse the citizenry, Callejas said.

8743
CSO: 3248/292

CALLEJAS ON U.S. ROLE, NICARAGUA CONFLICT

San Pedro Sula LA PRENSA in Spanish 6 Feb 86 p 3

[Text] Tegucigalpa--Rafael Leonardo Callejas is in favor of keeping American troops in our country as a safeguard against Nicaraguan aggression.

The new chairman of the Central Committee of the National Party (CCPN) agrees with the president of the National Congress, Carlos Orbin Montoya, on the U.S. military presence in the country.

The number one man in the National Party said that during his election campaign he contended and still does that the United States is and ought to be our military ally, inasmuch as Honduras does not have the money to confront Nicaragua's military might and that as long as Nicaragua maintains that large a military, we have to be ready for anything when we least expect it.

He went on to say that "we have to be on the alert with a totalitarian, Marxist-Leninist government like Nicaragua's, which failed to keep its commitments to the Nicaraguan people, and we must bear in mind the expansionist ambitions of communists."

According to Callejas, until such time as we can afford to defend ourselves, our only choice is to maintain a direct association and engage in military exercises with the United States.

This does not mean, he indicated, that a U.S. presence hinges on other interests; it is tied to the bilateral treaties that enable our allies to offer support for our Armed Forces in military hardware and training so that they can be permanent allies and ward off any aggression by the Nicaraguans.

Callejas commented on these points after being sworn in as the new chairman of the Central Committee by Gen Juan Alberto Melgar Castro, the outgoing chairman.

The Central Committee officers were elected by all of its members. The new chairman is Rafael Leonardo Callejas; secretary, Mario Aguilar; assistant secretary, Margarita Calix; treasurer, Ramon Rufino Mejia Mejia. The other members, in order, are: Ricardo Maduro, Efrain Reconco Murillo, Jose Ramirez

Soto, Donaldo Suazo Tome, Carlos Medina, Roberto Bogran Paredes, Victor Galdamez Prieto, Oscar Escalante and Ofelia Bogran de Rodriguez.

Callejas promised to eliminate party cliques; such cliques have been traditional in the country's two largest political parties. He will integrate all factions to abolish the monopolies of certain political leaders who in the past have held as many as three important posts in the National Party.

8743
CSO: 3248/292

HONDURAS

PNH REACHES OUT TO CONSERVATIVE LATIN AMERICAN PARTIES

Tegucigalpa LA TRIBUNA in Spanish 7 Feb 86 p 8

[Text] After the first session was opened and six new members were sworn in, Rafael Leonardo Callejas asked the Political Commission of the PNH [National Party of Honduras] to be aggressive and act as a support organization for the Central Committee.

The Political Commission met Wednesday night at the Central Committee under the leadership of the new president of the Central Committee. The only business on the agenda was to swear in Gilberto Goldstein, Orlando Henriquez, Yolando Barahona de Suazo Tome, Tomas Martinez Ponce, Rene Sagastume Castillo, and Luis Bier Izaguirre.

Callejas stated that the Electoral Commission must amend the statutes of the PNH to adapt them to modern policy. "We want to have primary elections by the second half of 1988 so that the PNH can freely choose its candidates for popular election in the 1989 elections."

International Ties

The PNH needs a new, more dynamic and permanent structure, according to Callejas. "Therefore, we are considering a number of projects including the creation of a political training school to train new leaders."

He indicated that the Political Commission will be authorized to establish contacts and participate in international political forums. He revealed that Cesar Batres has already made overtures toward establishing relations with the Conservative Party of Colombia and Social Democracy and COPEI [Social Christian Party] in Venezuela "because we must not isolate ourselves nor isolate the party from other political organizations in the world."

Callejas announced that the PNH must begin negotiations for the installation of a radio station "although it will continue to buy time on national radio stations."

Nationalist Treasurer

He announced that the Central Committee named Bernard Casanova party treasurer and Gabriel Ordonez auditor general. "We will allocate resources to remodel our party's house as well as to create a special meeting room with the necessary equipment and support personnel for the Political Commission."

7717
CSO: 3248/288

PARTIES DISCUSS CONSEQUENCES OF PNH MAJORITY IN TNE

San Pedro Sula TIEMPO in Spanish 4 Feb 86 p 5

[Text] Tegucigalpa--The Nationalist majority in the TNE [National Electoral Court] will not affect the results of the coming municipal and presidential elections, according to the Liberal representative to that organization, Pompilio Romero Martinez, when he took office yesterday.

Through an agreement between Azcona and Callejas, Nationalism has the majority in the TNE since it has the vote of the party representative and the representative of the Supreme Court of Justice controlled by Callejism.

Romero Martinez, also secretary general of the CCEPL [Central Executive Council of the Liberal Party] headed by President Jose Azcona Hoyo, said that the election results that the government party obtains will depend on the work of the leaders and the current administration.

The politician said: "It does not just hinge on the attitude of the local leaders." He indicated that it will also depend on Azcona Hoyo's administration, whether good or bad.

Repeating that Callejism does not have any advantage by having control of the organization that will supervise future elections, Romero Martinez said that the members of the TNE "are implicitly obliged to carry out the electoral law."

The Liberal Party's representative to the TNE announced that the personnel of that organization and the RNP [National Registry of Individuals] will be evaluated, apparently to dismiss some employees and hire others.

It was learned this week that other new members of the TNE will be the representative of the Supreme Court of Justice controlled by Callejism, Cesar Tome, and the representative of the National Party, Roberto Callejas.

The Liberal representative replaced one of Suazo Cordova's followers, Rene Corea Cortes. Nationalist Tome will replace Liberal Rafael Palacios Tosta and Callejas will replace Adalberto Discua Rodriguez who is now a member of the cabinet as minister of labor.

7717
CSO: 3248/289

RAMOS SEEN AS CALLEJAS' 1989 PARTY OPPONENT

San Pedro Sula TIEMPO in Spanish 3 Feb 86 p 8

[Text] More than 3 years prior to the next presidential elections, the contest for the National Party nomination has begun between Rafael Leonardo Callejas Romero and Oswaldo Ramos Soto, it is being said in political circles.

This situation was revealed during the preconvention of the National Party, at which Callejas Romero presided. At this gathering, the former presidential candidate spoke of the desire of his opponent to win the nationalist presidential candidacy, with a view to the 1989 elections.

Nationalist politician Valentin Aguilar said that Ramos Soto, who has the support of university faculty members, has begun to work on organizing his presidential campaign.

Aguilar voiced the certainty that Ramos Soto has held at least two meetings at his home in recent days to promote the aspirations of the present rector of the National Autonomous University of Honduras (UNAH).

It was learned from those in political circles that the professors who support the ambitions of the rector include the majority of the deans of the faculties at this higher institution of learning, as well as the leadership of the rightist United Front of Democratic University Students (FUUD), which sponsored his appointment as rector.

It is said that Ramos Soto also has the support of several politicians who worked on the Callejas campaign during the last general elections.

According to Valentin Aguilar, Callejas Romero, in speaking about his probable opponent, said that "I would hope that there is no effort to use TIEMPO to create a division within the National Party."

He warned that if Ramos Soto does not pursue his campaign in "an appropriate fashion," by adopting positions consistent with those of the party authorities, "a conflict" could develop.

Callejas said that he is opposed to "confrontations" within the National Party, and he voiced the hope that the aspirations of Ramos Soto "will not work to the detriment of National Party unity."

At the nationalist convention held in Tegucigalpa on Saturday, with Callejas Romero presiding, there were some attacks on possible presidential hopeful Ramos Soto.

According to reports, the National Party, through its top leadership, which is now headed by Callejas Romero, will hold internal elections a year before the general elections, in order to chose its candidate for the presidency, as well as delegates, deputies and nominees for the municipal corporations.

5157
CSO:3248/294

FORMER PLH OFFICIAL DENOUNCES PARTISANSHIP

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 14

[Text] Tegucigalpa--"Yes, we were partisan, but against the opposition," argued the former adviser of the ousted Executive Central Committee of the Liberal Party (CCE-PL), Max Gil Santos.

Gil Santos attacked the administration of President Azcona, asserting that "he is bringing unprecedented partisanship into the Liberal Party."

While scoring them for being partisan, he admitted that "perhaps we were partisan too, but against the opposition, not our own fellow Liberals."

"Now," he contended, "there is incredible partisanship against Liberals themselves in government offices. They call everyone ruling party men and want to destroy them just because they worked for the Suazo Cordova administration."

Santos contended that they did not persecute Liberals. "We persecuted neither Liberals nor Nationalists; we gave our fellow party members the chance to work."

After Jose Azcona broke with then President Suazo Cordova, Azcona's followers became the targets of relentless persecution to oust them from their jobs.

8743
CSO: 3248/292

HONDURAS

IMPORTERS CRITICIZE AZCONA'S CABINET CHOICES

San Pedro Sula LA PRENSA in Spanish 7 Feb 86 p 5

[Article by Isabel Guandique]

[Text] San Pedro Sula--Edwin Rosenthal, president of ANDI [National Association of Importers], stated yesterday that the cabinet recently named by the president of the republic does not meet the aspirations of the businessmen because most are politicians. It is feared that this administration will be worse than Roberto Suazo Cordova's.

Rosenthal commented: "Very bad choices have been made. Even the deputy ministers are not technicians, but politicians. That has generated a lack of confidence in the productive sectors. They will not invest because they do not have a shred of confidence."

He explained that there are few exceptions in that cabinet. He cited the Secretariat of State for Economy as one of the best. The others may be honest and intelligent men but they cannot handle purely administrative aspects because their field is politics.

He said that he is optimistic when he goes to meetings with businessmen. However, he leaves "deflated" after listening to the rest of his comrades who are very concerned about what could happen under the current administration.

He predicted: "Things still look gloomy. We hope there is a positive change in the coming months. Otherwise, the economic situation of the country will become even worse."

Minimum Wage

He commented that it is a patriotic duty to increase the minimum wage for the workers. They were even willing to pay up to 7 lempiras, 50 centavos. However, this must be studied in order to avoid provoking inflation which would eliminate the parity that the lempira now has with the dollar.

He noted that the construction industry cannot tolerate an increased minimum wage because small industry has almost disappeared. There have been agreements to pay more, but they only cover the members of ANMPIH. It has some 150 members, but there are more than 1,000 craftsmen and small businessmen who cannot handle that situation.

He revealed: "The workers must study the situation and avoid strikes of solidarity because these will quickly ruin the economy."

As to the sugar situation, he stated that the government must be more aware of diversifying production in the areas planted with cane. It must lower its interest rate of 15 percent on loans for fields that will produce within 5 years. "After all, the money is national money and even the government must sacrifice. Only by uniting will the country progress."

He said that the Honduran economic recovery preached by different officials did not really exist. The current increase in the price of coffee might generate more trade but will not directly benefit the economy as a whole.

Last, Edwin Rosenthal referred to the new executive board of the CCIC [Cortes Chamber of Commerce and Industries]. He stated that they were good businessmen and good Hondurans. They really relied on innovative and hard work to benefit all the members.

7717
CSO: 3248/289

BANK OFFICIAL PROJECTS WINDFALL COFFEE EARNINGS

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 2

[First paragraph is LA PRENSA introduction]

[Text] Tegucigalpa--The state will receive approximately $150 million from international coffee sales, according to the president of Central Bank, Gonzalo Carias Pineda.

This is because 35 percent of the coffee crop in Brazil, one of the largest producers, was lost due to the harsh winter there.

Carias Pineda feels that Honduras will benefit for the next 2 years from a considerable increase in foreign currency if international coffee prices are maintained.

Since the country has an enormous oil bill, the official maintained that the $12 to $20 reduction in the price per barrel of crude oil will mean a considerable savings that will strengthen the balance of payments.

Carias Pineda reported that Central Bank will issue bonds for 10 million lempiras to promote the housing sector and generate jobs based on an Economic Cabinet project.

He indicated that these resources will be combined with AID resources. The opening of feeder roads in several production areas of the country will also generate jobs.

He explained that, in order to obtain the greatest benefit, that program will not be carried out with special machinery because that would considerably increase costs and reduce the benefits for the unemployed.

7717
CSO: 3248/289

DROP IN OIL PRICE SAVES 40 MILLION LEMPIRAS

Tegucigalpa LA TRIBUNA in Spanish 1 Feb 86 p 7

[Text] By the end of 1985, the country's foreign oil bill for imports of crude oil had dropped more than 40 million lempiras.

Available figures for 1985 energy purchases by Honduras from Venezuela, Mexico, Trinidad and Tobago, the United States, Panama, and others totaled only 283 million, 43 million less than the 326 million paid in 1984.

Value of Energy Imports and Barrels Consumed
(millions of lempiras, thousands of barrels)

Item	Year 1983	1984	1985	Absolute Increase 1983/82	1984/83
Oil bill (1)	296	326	283	30	-43
Barrels consumed	4,208	4,471	4,238	263	-233
Diesel	2,085	2,115	2,041	30	-74
Bunker	602	732	508	130	-224
Gasoline	795	813	827	18	14
Others	726	811	862	85	51

(1) Imports by Texaco Refinery

This major decrease in crude oil imports helped our balance of payments by reducing pressure for foreign currency for this sector. It was caused by the replacement process in energy consumption generated by the start-up of the El Cajon hydroelectric dam.

The start-up of the El Cajon hydroelectric dam changed the type of energy used in the production process in the country from thermal energy to hydraulic energy. This meant a substantial reduction--more than 600,000 barrels--in the amount of oil imported.

Another factor in the reduction of the oil bill was the slight decline in the price per barrel of crude oil in 1985.

It is estimated that 1986 imports of oil and derivatives will be similar to 1985 imports. However, there are strong indications that the cost might drop even more as a result of the lower price per barrel of crude oil planned by some OPEC countries. This would lower Honduras' payments for oil.

Central Bank of Honduras
Tegucigalpa, D.C., January 1986

7717
CSO: 3248/288

GROUPS DIVIDED ON WAGE INCREASES, AMENDMENTS

Unions Call for Reforms

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 8

[Text] Tegucigalpa--A committee of the National Congress and the country's main labor federations yesterday examined a bill to increase the minimum wage and to make a series of amendments to the Labor Code.

The meeting was held in a room of the Legislative Palace and was attended by the leaders of the so-called National Council of Workers and Peasants.

At the close of the meeting, Efrain Diaz Galeas said that it had been "important" and that "fundamental points such as amendments to the Labor Code and a higher minimum wage" had been discussed.

With regard to the Labor Code, the secretary general of the General Central Organization of Workers (CGT), Felicito Avila, said that "a philosophical interpretation of its content" was needed, so that no individual party to a conflict has the advantage in certain cases.

Avila cautioned that as far as boosting the minimum wage was concerned, a series of situations had to be looked into so that an increase "does not amount to nothing."

The labor leader explained that if an increase in the minimum wage leads to higher inflation, "the increase will only enable us to say that the minimum wage was boosted, but the workers will not benefit at all."

In this regard, organized labor told the congressional committee studying a possible minimum wage hike that price controls had to be established, that producers had to be given incentives and that the middlemen in sales of consumer goods had to be eliminated. "A minimum wage hike will do no good unless prices are regulated," he said.

Avila said that at the meeting the workers also called for the creation of social security, agrarian reform and forestry committees.

The lawmakers were also asked to pass an amnesty decree and several bills that have been under discussion since 1985.

The chairman of the congressional committee, Jorge Maradiaga, indicated that the talks on a minimum wage boost would continue on Friday with private enterprise.

He said that the Labor Ministry, the Central Bank and the Economy Ministry would also be consulted so that the committee gets a broad overview before making a decision.

He announced that tripartite meetings would be held after the Friday meeting with the Honduran Council for Private Enterprise (COHEP), to decide on the amount of the increase.

The labor leaders and the congressmen agreed that the amount by which the minimum wage may be increased has not been decided on yet.

National Congress Opposed

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 3

[Excerpt] Tegucigalpa--Representatives of the workers and members of the National Congress met to get rid of "profiteers" and then to review the minimum wage for the country's workers.

Dr Jorge Roberto Maradiaga chaired the congressional committee that met with the workers to come up with suitable amendments to Article Seven in response to the petition that the workers submitted last year.

Maradiaga said that investigations are being conducted into ways of meeting the workers' demands, inasmuch as a higher minimum wage will not solve the problem because of its repercussions on those same workers.

He stated that the two committees agree that a higher minimum wage is not the answer, because the prices of mass consumptions items would increase right away.

Amnesty Decree

Christian Democratic lawmaker Efrain Diaz Arrivillaga indicated that his colleagues are seriously considering hastening the passage of an amnesty decree, inasmuch as a new democratic government has just taken office.

It is the judgment of Diaz Arrivillaga that such a decree deserves special consideration.

"We want to establish regulations that will put an end to the persecution of labor, peasant or political leaders, because such persecution only creates anxiety for the families that have been hurt by the at times unjust imprisonment of those who believe in changes for the Honduran family," he stated.

Private Sector Negative

San Pedro Sula TIEMPO in Spanish 8 Feb 86 p 5

[Text] Tegucigalpa--Private enterprise is opposed to a higher minimum wage, arguing that it would hurt medium-size industry, Congressman Manuel Guerrero, a member of the committee that the National Congress set up to review pay hikes, said yesterday.

The committee met yesterday with the officers of COHEP to hear the private sector's views on boosting the minimum wage and amending the Labor Code.

Manuel Guerrero, a Callejas congressman and the president of the El Mochito Labor Union (SOEM), said that the COHEP officers submitted a minimum wage bill and a bill with Labor Code reforms to the congressional committee; "they were drafted in 1974, and we therefore regard them as out of date," he added.

He went on to say that private enterprise feels that a wage hike is not fair because it would hurt medium-size industry. Nevertheless, it supports the reforms to the Labor Code to avoid conflicts in its enforcement.

On Wednesday of next week, the congressional committee, the COHEP officers, the leaders of the worker and peasant federations and Labor Ministry authorities will meet to chart a strategy for amending the Labor Code and reviewing the minimum wage.

Guerrero indicated that the congressional committee charged with looking into reforms of the Labor Code is made up of 10 lawmakers, whereas the committee reviewing the minimum wage consists of 11 congressmen. The bills that these committees draft will ultimately be reviewed by a committee made up lawyers and economists.

8743
CSO: 3248/291

CENTRAL BANK ANNOUNCES EMERGENCY CONSTRUCTION PLANS

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 10

[Text] Tegucigalpa--The BCH [Central Bank of Honduras] is allocating 10 million lempiras for the construction sector as part of the emergency program to generate jobs that the national government is preparing.

Engineer Jose Azcona Hoyo, president of the republic, Minister of the Presidency Celeo Arias Moncada, and the Economic Cabinet made up by the minister of economy, minister of finance, the BCH, and CONSUPLANE are working on that emergency program.

After meeting yesterday with the minister of the presidency, Gonzalo Carias Pineda, the president of the BCH, said that we are learning how to draw up a job program.

He reported that the BCH is allocating resources for construction work, especially housing construction.

Carias Pineda said: We are going to issue bonds for 10 million lempiras. We also have some resources from the AID that we will add to that so that the construction industry receives priority under this government.

The official said that the housing construction program was assigned to the BCH and the National Housing Institute.

Carias Pineda pointed out that there are other alternatives. He cited the construction of highways and feeder roads as well as export promotion in general. They will promote jobs anywhere they can.

He said that many jobs will be generated in the construction sector and national raw materials will be used. They will use massive manpower and rudimentary machinery to open feeder roads.

Carias Pineda said: I think this will provide employment mainly for the underprivileged sectors which have the highest unemployment rate.

The president of the BCH feels that the unemployment rate in Honduras is higher than 25 percent of the economically active population.

7717
CSO: 3248/289

CHURCH PLEADS CAUSE OF POOR TO AZCONA

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 11

[Text] Tegucigalpa--The archbishop of Honduras, Monsignor Hector Enrique Santos, has reminded President Jose Azcona that he pledged to attend to the needs and problems of Honduran society, especially of the poorer classes.

Monsignor Santos addressed President Azcona at the close of the mass honoring the patron saint of the Honduran people, the Virgin of Suyapa, in Tegucigalpa.

The archbishop said that "we breathe the air of Mary," adding that he was calling on the Virgin of Suyapa and on God to "give the government special assistance."

He made the same appeal to the National Congress, the Supreme Court and the Armed Forces, recalling afterwards a letter that President Azcona had sent him in response to the congratulatory message that the monsignor had sent the president.

The archbishop of the Honduran Catholic Church indicated that in his reply President Azcona said that he intended to attend to the needs and problems of Honduran society, especially of the poorest classes.

"I think that this could be an offering placed on the altar of Our Lord." He said that he was beseeching God through the intercession of the Virgin Mary to help the president and all of the members of the government.

He told President Azcona that "I know of your good intentions, and we hope that with God's protection your noble heart will be gladdened by carrying out such magnificent programs for the benefit of the people."

8743
CSO: 3248/291

MANLEY LEADS MARCH, PRESENTS PETITION TO SEAGA

Kingston THE DAILY GLEANER in English 11 Mar 86 pp 1, 3

[Text]

Thousands marched on Jamaica House yesterday morning behind PNP President Mr. Michael Manley who delivered a seven-point petition signed by over 92,000 people.

The petition addressed to Prime Minister Edward Seaga contained suggestions as to how the Government should spend the windfall from the drop in world oil prices.

Mr. Manley who handed two boxes with the signatures to Asst. Commissioners Gerald Bramwell and C.H. Leon, brought an abrupt halt to what was supposed to have been a 35-minute exercise in front of Jamaica House.

He thanked the placard-bearing demonstrators, said by police to be in excess of those who marched on the Central Bank November last, for showing "thorough discipline and determination" that the PNP was ready to resume office as Government. Mr. Manley thanked the security forces as well and said he was "tired of the lies and tired to see that it was the poor who always must suffer."

Some of the placards read: "My Heart Cries for Jamaica", "Son, It's Time To Go", "Enough Is Enough", "Study Now Pray Later" and "Save Jamaica".

Mr. Manley said that the demands were reasonable and serious to save the economy, education and the people. He then called on the crowd to disperse "until next time" when he would take up another issue.

After Mr. Manley left, thousands of demonstrators were reluctant to disperse. They looked at the entrance to the Prime Minister's office and hurled abuses.

A strong detachment of the Security Forces, with iron barriers, kept the swelling crowd from caving in the gates. The crowd left after pleadings from march leaders and Party officials.

However, police reported some 15 incidents of petty robbery by youths dispersing from the march. There were also incidents of hold-ups at the fringe of the massive crowd proceeding up Hope Road from Half Way Tree Square. Mr. Manley later condemned the incidents.

Earlier on Sunday night at the PNP's rally in a packed Half Way Tree Square sealed off to vehicular traffic, Mr. Manley pledged that he would revert to his policy of free education up to the tertiary level. He described as wrong and shameful what had been done to the university students.

"It's a crime...God judge me, I will live for the day when I will have to reverse what he (Seaga) has done to the university students."

Mr. Manley deplored what he said was Government's bullying of the Industrial Disputes Tribunal in "fighting down" the students, teachers and doctors. He called on the crowd to demonstrate their dissatisfaction.

He said a major part of the country's problem was that there was heavy spending on "nice things" while hospitals were closing down, workers were being laid off and students were being made to pay fees.

Certain opinion writers in the country had expressed pleasure about this trend, calling it management while in the last five years Jamaica had earned US$3.7 billion but the country had been allowed to spend US$6.5 billion on expensive cars, refrigerators and caviar.

Also speaking at the rally were Party Chairman P.J. Patterson who said that the Jamaica Public Service was going to be saving $215 million from the oil price reduction; and general secretary Dr. Paul Robertson who read details of the seven-point petition among others.

The vigil featured performances from "Sistren Theatre Collective", the Unique Vision Band and Revival Band from St. Mary. Thousands queued to sign the petition during the rally and vigil. Before the crowd departed for Jamaica House a religious service was conducted by Rev. Sedely Gooden.

Along the Hope Road route, armed police kept the crowd, spanning the width of the road behind Mr. Manley. But several people lunged forward, climbing fences to get ahead of Mr. Manley.

When Mr. Manley reached Jamaica House, people were still streaming from Half Way Tree chanting slogans.

/9317
CSO: 3298/392

SEAGA CRITICAL OF INDUSTRIAL TRIBUNAL DECISION

Kingston THE DAILY GLEANER in English 13 Mar 86 p 2

[Text]

Prime Minister Edward Seaga said Sunday night that the two members of the Industrial Disputes Tribunal who signed the controversial salary award to junior doctors have acted against the best interest of good industrial relations and their continued membership in the IDT can "only serve to embarrass everyone and delay restoration of confidence in the IDT."

A change in the award after it was said that an error had been made sparked a one-day strike by junior doctors last Friday followed by a work-to-rule started Saturday by the doctors.

In his broadcast to the nation Sunday night Mr. Seaga said in part:

"Let me now look at the issue involving the judgment of the Industrial Disputes Tribunal in respect of the claim for an increase in the Government's wage offer.

"The matter was referred to the Industrial Disputes Tribunal which issued a judgment and an interpretation which, understandably, has disturbed everyone.

"In the findings in its first judgment, the IDT clearly stated that it could not increase salary in excess of that offered by Government.

"Yet in the same judgment the Tribunal went on to make an award which exceeds the very level which it admits cannot be exceeded. Simply put, the Government's offer was to increase salaries by 12½% in 1985/86 starting in July 1985 and by 10% in 1986/87 starting April 1st 1986. The Tribunal exceeded the Government's offer which it said it could not exceed by commencing the 12½% award of 1985/86 from April rather than July, thereby adding an extra three months, and by increasing the 1986/87 level of 10% by 2½% more to 12½%.

"Faced with these contradictions, the Tribunal was asked by the Ministry of Public Service to interpret its decisions. This it did, by correcting only one of the contradictions, admitting it was an error, but remained strangely silent in respect of the other.

"The series of confusions created by the Tribunal's conduct has left everyone embarrassed, Government, unions and employers. As a result, the understandable anger of the five major unions at the Tribunal's conduct has caused them to over-react.

"This over-reaction in a response which promises to boycott the IDT in the future, could prove more harmful to the unions and the workers of Jamaica whom they represent. It must be remembered that the IDT now has power to hear a dispute referred to it, even if only one party to the dispute attends the proceedings of the Tribunal.

"The unions should reconsider this response and concentrate on making recommendations to ensure the integrity of the Tribunal.

"The two members of the panel of the Tribunal who signed the award have acted against the best interest of good industrial relations. I have no doubt that they themselves would agree in the light of the crisis created by their conduct in this matter that their continued membership in the Tribunal could only serve to embarrass everyone and delay restoration of confidence in the Tribunal.

"It would be appropriate to remind the nation that a programme is being developed to strengthen the machinery dealing with industrial disputes and conciliation. We must now speed up this programme."

/9317
CSO: 3298/392

MEXICO

ECONOMIC SECTOR FIGURES DISCUSS REPAYMENT OF FOREIGN DEBT

Call for Eased Terms

Mexico City EXCELSIOR in Spanish 7 Mar 86 p 11-A

[Text] Saltillo, Coahuila, 6 March--The current conditions for generating the nation's wealth in the internal and external plans "have forced us to reduce the payments." However, the head of the Confederation of National Chambers of Commerce [CONCANACO], Nicolas Madahuar Camara, remarked today that the adverse circumstances "do not warrant the failure to fulfill responsibilities."

The business leader was here to chair the meeting for a change in the board of directors of the local CANACO [Chamber of Commerce] now headed by Rodolfo Ramos Villa. At the board meeting, and in the presence of local public officials, Madahuar declared that the request for grace periods or conditions should be based on setting them to cover our liabilities abroad, which "must be done on the basis of offers made by us to solve the internal causes of the crisis."

He noted that we Mexicans "cannot seek a just, equitable, prosperous, international economic order if we are incapable of affording ourselves that order internally."

He said that the only viable option for Mexico at the present time is to limit the amount of the payments to "what we can fulfill." Nevertheless, he requested of the Mexican Government the establishment of "a commitment to the creditor community."

He commented: "Adopting the necessary measures to finance the committed funds is something that need not be a condition imposed by the creditor; it is a necessity stemming from the dignity of the one desirous of fulfilling the commitment."

Hence the need to make an in-depth revision in taboo structures which nevertheless are part of the conditioning factors for our development. There is an urgent need to reorganize the country's primary activities "which play a major role in the nation's existence."

For the same reason, he called upon agriculture to agree to the economy on market terms, without "paternalistic distortions." He also requested changes in the legal and bureaucratic conditions "which have an effect on economic development."

In conclusion, he told those present that Mexico needs to make changes, "because it is obvious that the course of action adopted in recent times has not produced the results anticipated by those who selected it." He said that we are living at a time when, because it is critical, the presence of the intermediate business entities "has become more urgently needed, as an element for directing the endeavor of private individuals."

Appeal for Fixed Interest Rates

Mexico City EXCELSIOR in Spanish 7 Mar 86 p 10-A, 11-A

[For related report, see JPRS LATIN AMERICA REPORT of 26 Feb 86 (LAM-86-022), pp 116-118]

[Text] Guadalajara, Jalisco, 6 March--Mexico needs to renegotiate its foreign debt to a term of 40 years, with 10 additional years of grace, but with fixed interest rates. It does not require a moratorium nor a stoppage of payments, but we should not make our debt a national penalty either, nor tear our garments; because the economic crisis is one of the government, which no longer has money, and the solution at the present time is a very long-term solution. These statements were made by Julio A. Millan, an economist and head of international consultants, after cautioning that, "We must not poison ourselves with the debt problem."

During an interview, the economist and business consultant observed: "The economic authority has not deprived the president of the republic of power, even with devaluations, a cut in oil prices, and a high inflation rate, because the head of the executive branch is still, from the standpoint of command, a political authority with a strong maneuvering capacity, and the presidential institution is solid. The economic authority is supplementary but, ultimately, the political authority has never competed with the economic because, he noted, the two have, indeed, interacted to achieve power. He claimed that the economic authority does not require a position based on struggle or confrontation.

Millan remarked: "Mexico needs a total modernization, and a radical change in its mentality; it needs to foster productivity, increase investment and savings, and make a structural change in the generation of foreign exchange by giving an impetus to, and developing fishing, tourism, assembly plants, non-petroleum exports, and openness to foreign capital, ridding itself of unproductive state entities. The subject of the interview claimed that the detonator lies in the federal government itself, after noting that we have become the leading debtor nation in the world, and that measures must be adopted to allow for the liberation and modernization of this economy.

The economist declared: "The government has sought, with the levying of taxes, a solution for producing funds when it is no longer possible for business firms to raise salaries, in view of so many tax levies and inflation, as well as the scarcity of credit, with the little that is available extremely expensive." He concluded by saying: "It isn't that they are unwilling, the business firms are unable; because of the lack of liquidity, they are paying more for the service on their loans than what they are paying in salaries."

ANIERM President Opposes Moratorium

Mexico City LA JORNADA in Spanish 10 Mar 86 p 9

[Text] The president of the National Association of Mexican Importers and Exporters [ANIERM], Jorge Barbara Zetina, described the declaration of a likely moratorium on the payment of the foreign debt as ridiculous, because it would hamper the efforts being made to attract foreign exchange through tourism, foreign investment, and foreign trade.

He said that, now that it has become more difficult to borrow money abroad, and the price of oil is still dropping, the areas for procuring foreign exchange have become reduced.

"Hence the absurdity of those proposing a moratorium, without considering that the result of the effort to succeed with tourism, foreign investment, and foreign trade depends on our continuing to have the backing and good will of those whom we would harm by ordering a moratorium." Barbara Zetina remarked: "Let's be consistent!"

In brief comments, the head of the exporters also expressed the view that Mexico should devote itself to the production of items that are more competitive and have better quality.

2909
CSO: 3248/276

BRIEFS

PEMEX SUSPENDS NEW PLANT CONSTRUCTION--Chihuahua, Mexico, 27 Mar (NOTIMEX)--Pemex has definitely suspended the construction activities of its new plant in the northern city of Hidalgo del Parral which had a planned capacity for storing 130,000 barrels. Ricardo Bernal, who is in charge of the project, explained that over 250 employees, who had been building the plant for the last 6 months, were laid off. He indicated that the approximate budget required to finish the plant is of about 4 billion pesos. He noted that 35 percent of the project was completed until 18 March, when the suspension was decided. He said that the main activities of that plant would have been the construction of an oil pipe between Jimenez and Parral passing through the city of Torreon. [Text] [Mexico City NOTIMEX in Spanish 0045 GMT 28 Mar 86] /9599

CSO: 3248/326

NICARAGUA

OPPOSITION VIEWS OF DRAFT CONSTITUTION SUMMARIZED

Managua BARRICADA INTERNACIONAL (ARCHIVES Supplement) in English 13 Mar 86 pp 6-7

[Text] Of the 221 articles in the preliminary draft of the Constitution, 165 were approved unanimously. In other words, there was total agreement on 75 percent of this first draft. The draft will now be submitted to the general population for discussion and suggestions. The 25 percent on which agreement has yet to be reached includes finer issues pertinent to the political programs of each party. This is a summary of the differences voiced.

Democratic Conservative Party

The Position of the Democratic Conservative Party (PCD) according to statements made by representative to the National Assembly, Dr. Clemente Guido.

The current version of the constitutional draft is very vague and open to various interpretations. It doesn't clearly separate the state or the army from the governing party, thus setting up a totalitarian framework. The PCD has prepared its proposals for incorporating additional articles to the Constitution in order to establish the principles of a democratic revolution.

– The preamble should invoke God to show respect for the religious beliefs of the Nicaraguan people.

– The official language of the indigenous communities should be their own native languages.

– The concept of citizenship is very sketchy and doesn't outline the rights and duties of foreigners residing in the country. The right to dual citizenship should be granted; this is a right enjoyed by citizens of all other Central American nations.

– To enhance the right to health care, it is essential to establish the professional status of medics, paramedics, and hospital administrators. This is essential to prevent health professionals from leaving the country, by guaranteeing upward career mobility, regardless of party affiliation.

– Common law marriages should not be recognized. Concubinage should not be enshrined in the Constitution, although the women and children involved should be protected under the appropriate laws. As it stands, the article effectively invalidates the institution of matrimony by recognizing the validity of both forms for the constitution of a family.

– The participation of workers in businesses where they work must be specified as well as their participation in management and share in the profits.

– A civil service law should be created to establish public administration careers, in order to separate the state from the governing party.

- To reinforce the civil service law, "preventive" articles should be included. One would prohibit state officials from using public funds for party activities, or requiring state employees to participate in political campaign activities. The other would outlaw requiring public employees to participate in party mobilizations or activities during working hours.
- The nation's budget should be approved by the National Assembly after studying the proposal presented by the executive.
- Parliament should also have the right to approve or reject a state of emergency decreed by the president.
- The capital should be considered as just one more municipality, whose mayor should be elected by popular vote and not appointed by the president.
- Consecutive reelection of the president should be outlawed in order to prevent personal consolidation of power.
- There should be proportional representation of all the parties in the executive. As in Europe, ministers should be appointed according to the votes won by parties in the general elections. This would create a government of national unity.
- The chapter on the armed forces does not define the distinctions between the army and the governing party. The apolitical nature of the armed forces and their lack of party affiliation must be specified. The Conservative Party does not object to the name Sandinista Armed Forces as long as there is an article in the constitution clarifying that they are so named in honor of the national hero.
- Representatives from at least three parties should be among the 40 legislators required to introduce reforms to the Constitution.

Independent Liberal Party

Declarations made by Dr. Virgilio Godoy, president of the Independent Liberal Party (PLI), as published by the ACAN-EFE news agency in February.

The PLI withdrew from the Constitutional Commission of the National Assembly in November, arguing that the national state of emergency, imposed the month before, did not permit the political conditions necessary to discuss the draft of the Constitution.

"The question is not whether this draft on the Constitution will be approved, but rather in knowing whether these laws are going to meet the same fate as the Statute of Rights and Guarantees, which is not fulfilled in practice," stated Godoy. He also asserted that the PLI feels that the preliminary draft had been written long ago.

Nicaraguan Socialist Party

The position of the Nicaraguan Socialist Party (PSN) as stated by Luis Sánchez, representative to the National Assembly.

The constitutional draft is a working document which basically gathers the suggestions of the seven parliamentary parties and highlights the most advanced and progressive material on social rights and guarantees. It attempts to legitimize the gains made by the Revolution, but reveals some political gaps and shortcomings:

- It should prohibit presidential reelection to avoid the dynastic continuity which reigned in the past.
- Approval of the nation's budget should be the responsibility of the National Assembly because it has a direct influence on public life. An additional clause should be included stipulating that if the legislators fail to reach an agreement within a reasonable period of time, the executive will decide on the budget.
- The Constitution should stipulate that municipal governments, including that of the capital, be elected and autonomous in nature (the preliminary draft proposes that the mayor of Managua be designated by the president).

- A chapter should be included on public administration, defining the rights and duties of officials and ensuring political and moral independence in the exercise of their functions. A civil service law should be drawn up.
- Conserve the name Sandinista for the armed forces, as it is part of the political and historical heritage of Nicaraguans.
- No laws should be retroactive except in penal matters where it is to the benefit of the prisoner. This is a conquest of the people in any democratic society.
- Special tribunals should be eliminated (except for military cases) as they are in contradiction with jurisdictional unity.
- A tribunal for constitutional guarantees should be created under the jurisdiction of the Supreme Court of Justice to receive citizen's complaints about abuses committed by public officials in the course of their work. Create the juridical status of a defender of the people in order to protect the constitutional guarantees.
- This same tribunal should rule on appeals regarding laws that may violate the Magna Carta. The number of legislators required to put forth such an appeal should be reduced (the draft indicates 49, of a total of 90).
- The Socialist Party will hold discussions on the constitutional draft with each social and productive sector to gather suggestions according to their area of interest. Later, in general assemblies, the party will hear general opinions in order to present them to the advisory commission of the National Assembly and to the plenary. PSN members will also participate in the town meetings.

Marxist-Leninist Popular Action Movement

The position of the Marxist-Leninist Popular Action Movement (MAP-ML) according to statements made by Carlos Cuadra, representative to the National Assembly.

The MAP-ML totally opposed the constitutional draft because it institutionalizes the power of the bourgeoisie and capitalist relations of production.

Bourgeois principles such as democracy and mixed economy were offhandedly approved, creating an inadequate framework for the future Magna Carta.

The rights and guarantees of Nicaraguans are formulated in abstract, general terms which could lead, in practice, to the infringement of these rights. The MAP-ML will struggle to guarantee the material conditions necessary to exercise those labor, economic, social and other rights.

The party will continue to participate in the constitutional tasks and defend its observations on the draft's articles before the plenary of the National Assembly.

Communist Party of Nicaragua

Statements by Allan Zambrana, Communist Party of Nicaragua (PC de N) representative to the National Assembly.

The party's executive committee named a commission to study the preliminary draft of the Constitution, and is awaiting its findings before disclosing its official position with respect to the future Magna Carta. Nonetheless, the PC de N indicated that it was unacceptable that elements of representative democracy should be surrepticiously introduced in the draft in contradiction with the current historical conditions of a country in revolution. The very definition of the Nicaraguan state is not clear.

In reference to citizen's rights, the constitutional draft is ambiguous, as is any bourgeois constitution in which those rights may or may not be granted. The party proposes a more catagorical draft, which stipulates that those rights cannot be denied.

Popular Social Christian Party

The position of the Popular Social Christian Party (PPSC), according to its secretary general, Mauricio Díaz.

The first draft is no more than a working document, and the PPSC has reservations in regard to both form and content. A good part of the articles are ambiguous and imprecise and the real issues have yet to be addressed. The party agrees with 40 percent of the document as it stands, but is preparing its own constitutional draft for submission to the Assembly. Among the PPSC's reservations are the following:

– The preamble should invoke God out of respect for the religious beliefs of the people.

– The section on democratic principles should establish the type of political system, the periodicity of elections, and the alternation of parties in power.

– The right of different parties to hold power should be ordained in the article on political pluralism.

– The mixed economy must be clearly defined and its concept should be broadened to establish it as a permanent model.

– The state should not regulate economic activity because it will wield too much power, negatively affecting the principle of a mixed economy.

– People's property (belonging to the state) is an abstract concept; it would be better to establish workers' property, which clearly implies that they own, direct and administer the properties.

– As it stands, the document does not offer sufficient protection of private property. It deals with indemnity, but does not clearly establish legitimate cause for depriving a person of his or her property.

– Educational policy should be formulated by the state along with the media and parents, instead of being solely regulated by the state. Religion should be taught not only in private institutions but in public schools as well, leaving the final decision to the parents. A full 10 percent of the national budget should be assigned to the universities.

– The Sandinista character of the armed forces should be eliminated; it is inadmissible because it institutionalizes the confusion between the state, party and army. The armed forces should be national and independent of party affiliations.

– Legal status should be given to conscientious objectors to Patriotic Military Service, on the grounds of religious belief.

– The executive and legislative branches should be more equally balanced. The National Assembly should discuss and approve the nation's budget, rather than just being informed about it by the president.

– The executive branch has too many functions. For example, it both regulates laws totally or partially and appoints the mayor of the capital.

– Reelection of the president should be outlawed; at present this is not addressed in any article.

– An independent tribunal should be created to rule on the constitutionality of actions, decisions and laws. This tribunal would not fall under the jurisdiction of the Supreme Court. Also, the institution of "people's advocate" should be established in order to file such appeals and defend the citizenry against the state when it acts arbitrarily.

– The right of political parties and the defender of the people to bring charges against the state for unconstitutional actions should be established. (At present, this right has been conferred only to the executive, the president of the Supreme Electoral Council, 49 delegates to the National Assembly or a petition bearing 30,000 signatures).

– No reforms to the Constitution should be permitted for 10 years after its enactment. (The present draft states that the National Assembly may reform the document partially on initiative of the president, 40 delegates or a petition bearing the signatures of 40,000 citizens.) Any motion to reform the Constitution should be approved by two thirds of the parliament and later submitted to a referendum.

– The Magna Carta should be submitted to a referendum for approval.

/13104
CSO: 3200/19

ST LUCIA

'THRONE SPEECH' CITES WAR ON DRUGS, REGIONAL SECURITY

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 6

[Text]

CASTRIES, Mar. 26, Cana — ST.LUCIA is planning to step up its anti-drugs campaign, with legislation providing for mandatory prison terms and property confiscation, Governor-General Sir Allen Lewis said yesterday.

He also said Trinidad and Tobago would be asked to become involved with St. Lucia and six other Caribbean countries in a Regional Security System (RSS).

Sir Allen made the disclosures in the traditional Throne Speech to the opening of the St. Lucia Parliament.

He told Parliament: "Mandatory imprisonment will be provided for the offer of narcotic substances to minors, while the properties of these merchants of destruction will be confiscated if such ill-gotten gains are traceable to trafficking in drugs."

Sir Allen said the St. Lucia Government will co-operate with regional and international organisations to ensure that no haven or sanctuary is provided here for people in the illegal drugs business.

The RSS members are St. Lucia, St. Vincent and the Grenadines, Dominica, Grenada, St Kitts-Nevis and Antigua and Barbuda and Barbados.

It is expected that during the year present security arrangements will be formalised by the ratification of a security treaty between the Organisation of Eastern Caribbean States (OECS) and Barbados, Sir Allen said.

He told Parliament that afterwards approaches will be made to Trinidad and Tobago to determine the extent of co-operation in security matters.

Ethnic Origins

The security system came into being in October 1982 with the signing of a memorandum of understanding in Dominica.

Under, this pact, any one country can ask the other members for assistance in a wide variety of situations.

Trinidad and Tobago sent observers to the military exercises conducted in St. Lucia late last year among the members of the system.

Sir Allen said that recent events in Haiti presented an opportunity for Commonwealth Caribbean Governments to provide a bridge upon which that disturbed and unfortunate country can cross over into the mainstream of Caribbean affairs.

He said: "Our geographic proximity, our ethnic origins and, in two of our countries, the religious, languistic and cultural affinity provide compelling reasons for some initiative on the part of Caribbean Governments. This opportunity to render humanitarian assistance should not be missed.

A new Government has taken over in French-speaking Haiti, following the flight of President-For-Life Jean-Claude Duvalier.

The Governor General also made passing reference to another troubled region, Central America, reiterating that the root causes of the conflict are social and economic legacies of exploitation and cannot be resolved by military means.

He said: "Government, therefore, supports the efforts of the Contadora Group to bring peace to the troubled region."

/9317
CSO: 3298/393

ST LUCIA

BRIEFS

COMPTON-UNION TALKS--Castries, Mar 27, Cana--St Lucia's Prime Minister John Compton says he is willing to meet public service unions and the International Labour Organisation (ILO) to discuss a claim for backpay at the centre of a dispute between Government and State-paid workers. Compton's statement to Parliament was the first official Government response to charges by the Committee of Trade Unions of unfair industrial relations practices by Government. The charges were made after the committee accused Government of altering the implementation date of industrial agreements with public sector unions to avoid paying backpay owed to public servants. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14] /9317

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END

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Latin America Report

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TRINIDAD-TOBAGO MINISTER ASSESSES TRADE WITH BARBADOS

Bridgetown WEEKEND NATION in English 21-22 Mar 86 p 3

[Text]

PORT-OF-SPAIN, Trinidad — Trinidad and Tobago's Minister of Industry, Senator Wendell Mottley, said he received a number of complaints from local manufacturers about difficult access to the Barbados market for their products.

He said the complaints were made during Prime Minister George Chambers tour of export-related companies.

Speaking to reporters at the end of this month's stage of the tour which included companies along the east-west corridor, around Port-of-Spain and in West Trinidad, Mottley said a meaningful approach would be made by Trinidad and Tobago to improve access to the market.

"We have received extremely strong complaints about refusal to allow products from Trinidad into the Barbados market," said Mottley."Either outright refusals or through mechanisms being employed in Barbados have the effect of shutting out Trinidad products, and some of these complaints go back, they say, to early in 1985."

He added: "I am not keen on getting involved in tit for tat with any CARICOM (Caribbean Community) country, and I am trying to preserve that."

Mottley said he would discuss the subject with a group of Barbados manufacturers expected to mount an export drive in Trinidad and Tobago in the near future.

There has been a fall in trade between Barbados and the twin-island republic, with government officials complaining of protectionist measures in Port-of-Spain and Bridgetown.

Meanwhile, Mottley said Chambers was impressed by the state of the art equipment and the export readiness of local manufacturers.

He said the salient features coming out of the final stage of the tour included complaints of government bureaucracy hindering manufacturers, requests for a rebate on more expensive locally made sugar, illegal imports of small items, and problems of access for local products to the Barbados market.

"Of special note yesterday in one of the plants in particular which he (Chambers) asked me again to bring to public attention, was the fact that some state of the art technology has been brought in here, and we have already reached the stage in our industrial sophistication where the efforts from the shop floor, backed by machine, shop and engineering capability, we are improving some of the machinery that we have imported.

"It performs better and has certain technical capabilities that put Trinidad in a unique advantage in adressing some of the export markets.

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CSO: 3298/395

CARICOM, DOMINICAN REPUBLIC DISCUSS TRADE, COOPERATION

FL242358 Bridgetown CANA in English 2231 GMT 24 Mar 86

[Text] Georgetown, 24 Mar (CANA)--Representatives from Caricom and the Dominican Republic reached broad understanding on a range of matters in which they hope to pursue increased efforts to deepen co-operation, the secretariat said today.

The two-day talks, which ended yesterday, were the first of the Caricom-Dominican Republic Joint Technical Group and covered trade, agriculture, transportation, health education and training, culture, and industrial relations.

The secretariat said the two sides recognized that there was potential for increasing trade between the Dominican Republic and Caricom, a grouping of 13 English-speaking Caribbean states.

The statement from the secretariat continued: They agreed that they will continue to study and consult together on the type of framework within which trade between the two sides could develop.

During the talks, representatives from both sides recognized that trade between the two sides, at the moment, constituted a very small proportion of their total trade. However, recognizing the potential for increasing trade between the two sides, they agreed that, to this end, they would co-operate in identifying possibilities for promoting trade missions encouraging attendance at, and participating in, trade fairs and exhibitions, by either side.

The two parties also agreed to look for avenues for co-operation in providing trade information between themselves and in developing links between the trade information systems in the Dominican Republic and in Caricom.

The Caricom side gave information on a number of programmes in the field of agriculture in which there could be possibilities for co-operation with the Dominican Republic. The main areas high-lighted were agricultural research, training, and production/marketing information systems.

For their part, the representatives from the Dominican Republic indicated that they would provide to Caricom similar information on research and training programmes.

The two sides exchanged detailed information in the areas of health, education, culture, and labour. They identified specific areas for further exchanges.

In the area of health, attention will be directed to human resource development, critical supplies (in particular essential drugs) and equipment, population and development, nutrition, health information, environmental protection, and disease control.

In education, areas identified for exchange of information were adult literacy, language training, and technical/vocational education.

In the field of culture, the two sides agreed that they would maintain contact in relation to the next Carifesta (due to be held in Jamaica in 1988) and for celebrations concerning the abolition of slavery in the Caribbean.

Both sides also agreed to exchange information on studies being conducted on matters such as labour legislation, personnel administration, and social security.

This first meeting of the joint technical group between Caricom and the Dominican Republic will be followed by a similar meeting of the joint technical group between Suriname and Caricom in the first week of April, and later between Haiti and Caricom at a date to be determined, the statement concluded.

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CSO: 3298/387

ARGENTINA

ROUCO WARNS AGAINST SIGNS OF ISOLATIONISM

PY042233 Buenos Aires LA PRENSA in Spanish 1 Apr 86 pp 1, 4

[J. Iglesias Rouco Column: "Four Years Later"]

[Text] Tomorrow will mark the 4th anniversary of the recapture--the lost and wasted retaking--of the Malvinas Islands by Argentine forces who were sent there by the last military regime. That operation, which this columnist predicted months in advance, has been seen and continue to be seen by some as the most partiotic feat of this century, which is bound to deeply transform the soul and even the culture of the nation: and by others, as the product of the most selfish ambitions of the "process" [meaning, the latest military governments of Argentina], which, finding itself slipping downwards, tried, through that operation, to prolong its tenure and to ensure "oblivion" for its wrongdoings, at the expense of the blood of hundreds of youngsters and the true international interest of Argentina.

We believe that both points of view have valid bases. Of course, those who consider the operation as a heroic feat forget the difference, and even the frivolity with which many people in the country followed the events of the war when it became inevitable; just as they forget the government's systematic disinformation during the war, as well as the fact that the war was provoked by the shortsightedness of our government at the time. That government failed to realize that the 2 April operation put within Argentina's grasp all the strategic and political gains it could hope to obtain in the Southern Zone. The opportunity presented itself through the forced U.S. intervention and three peace proposals entailing an unprecedented Argentine presence in the archipelago. These proposals also called on Great Britain to negotiate, within more or less definite periods of time, the sovereignty issue it has always avoided and continues to avoid. All these possible gains were passed up by the Buenos Aires government, which chose to proceed with an armed conflict with uncertain, not to say catastrophic, consequences that were foreseeable as of 1 May 1982.

Nevertheless, those who fought in the air, on land, and on the sea in the Malvinas operation--although they may seem quite few as a percentage of their countrymen--may certainly act as the seed of a new sense of national honor and moral strength, that some day may perhaps be at the service of a better nation. In turn, those who condemn the 2 April operation, confusing the landing operation with the war that broke out later, do take into account the geopolitical and strategic opportunities that it offered us and continued to offer us midway through the war. Of course, these opportunities were not seized because of hardheadedness or stupidity, if you prefer, of the military regime. The undiscerning realism of this group only serves to blur their judgment.

Isolation, the Disaster's Root

And what is much more serious is that both supporters and detractors of the 2 April operation do not show the slightest sign of having recognized the root of the disaster, which is none other than the country's external isolation which induced Argentina into that desperate undertaking on 2 April 1982, and which if properly handled, would have been justifiable--just as they do not recognize the isolation brought about by the defeat. Worse yet, the two groups based the defense or the criticism of that event on the same idea of isolation that aroused the crowd at the 10 April 1982 rally organized by Teneral Leopoldo Galtieri.

This idea of isolation implies a rupture or near-rupture with the "North," the United States and West Europe. Consequently, it satisfies the extremes of the right and the left, and the authoritarian sectors of Alfonsinism, whose model of a constitutional dictatorship calls for internal isolation because a country that is in rapport with the democratic world will not make it easy to install that model within our borders.

It is not by accident that Mr Alfonsin is maintaining the Malvinas dispute in the same or similar terms as those in which it was maintained by the "process" after the fall of Puerto Argentino, and he is doing so despite the will to negotiate that which he proclaims. It is not by accident either that since 1984 the Casa Rosada is compounding the problem with all kinds of games and ambiguities regarding Nicaraguan Sandinism and the al-Qadhdhafi regime, even to the point of raising doubt recently about the sortie into Honduran territory by the Sandinist (Cuban, in fact) Army, and of abstaining from condemning--without the justification of the European abstention--the Libyan attack on the U.S. fleet in the Gulf of Sidra. Part of the same maneuver to increase this isolation are the government's refusal to submit to the IMF rules, which are nevertheless expressly accepted; the "peace corps" recently promoted by Mr Caputo in Punta del Este; the "solidarity" front of debtor countries that the foreign minister is quietly encouraging; and the foreign minister's upcoming renewed offensive in the Contradora Group. It is even likely that Alfonsinism will soon seek support for a "Latin American" condemnation of the U.S. "intervention" in Honduras and of the Washington aid to the Nicaraguan "Contras," which the U.S. Senate has just approved. The pro-divorce campaign to pick a confrontation with the church and the Vatican plus government support of "liberation theology" rounds out the government action directed at that internal isolation. The objective is, we repeat, to separate Argentina from any Western association that may hinder the installation of the "model" of authoritarian dominion in the national arena even resorting to a purely Western pretext, such as divorce.

What is the difference between that policy and the one being instrumented by leftists, who do not belong to Alfonsin's Radical Civic Union Party and the ultraleft in the face of these questions? It is not true that only a few hours ago "revolutionary Peronism," for example, which is run by many leaders of the Montoneros group, joined the demonstration to celebrate the "feat" in the Malvinas against "imperialism"? And what about the ultraright and especially some military ultrarightists who for a long time have been supporting not only a new violent "recovery" of the Malvinas but also the type of terrorist dictatorship advocated by Tripoli, with which these rightists are still keeping very close contacts just as they did in 1982 (and earlier). These rightists even hope to carry out without limitations the cooperation on nuclear energy and the exchange of weapons, begun during the last decade by Lopez Rega and continued by the "process."

Now then: What can be expected from such a program? Obviously, from the domestic point of view, what can be expected is the radicalization of the political parties, especially of Peronism, which has already occurred with regard to the foreign debt. The Armed Forces have also become radicalized. Under the protection of an "anti-imperialist" nationalism, the Armed Forces could serve very well--even from the right as military fascists--the authoritarian designs of the left, as long as the left advocates nationalism and isolationism would ease the pressures on many officers responsible for the "dirty war," pressures that do not come from the East, Cuba, Nicaragua, or from subversive organizations, but from Western Europe and the United States.

However, it is in the international field that the situation becomes complicated.

Perhaps the "anti-imperialist" nationalism and some imaginary "plots" with their consequent "purges" will allow those who advocate the local style of authoritarianism to impose their "model" without major problems and to guide Argentina toward national-socialism or a national brand of socialism, which is being advocated in unison by Alfonsinist groups and the ultraleftists and rightists. However, the situation is not so simple abroad. First of all, Washington is quite ready to fight any type of totalitarianism and has again warned Buenos Aires about it with great firmness immediately after Caputo's last venture in Punta del Este. And secondly, London has its own business in South America with Chile and perhaps also with Brazil and other neighboring countries.

In fact, on 20 March, I reported in this column that according to the Argentine Air Force, Chile is carrying out fortification works, possibly installing missiles, on Dawson Island across from Tierra del Fuego. I also reported the permanent presence in that area of British submarines, of which at least one is nuclear. But this is not all. For example, in addition to the missile bases in Punta Arenas, in the Santiago area, and the Iquique region, near the border across from Rio Turbio in areas close to wher the Sofanor Parra Regiment is stationed, the Chilean Army is training modern units with 100 to 200 Kawasaki 400 cc motorcycles. These are armed with "bazookas" and grenade launchers capable of destroying tanks and opening roads for quick penetration into Argentine territory. The Chilean Army in 1 year has also doubled other mechanized forces across from Rio Turbio and Commandante Luis Piedrabuena. According to reports from congressman and former congressmen from Santa Cruz such as Peronist Raul de Antoni, British espionage is becoming more active in that province under the direction of the alleged administrator of several British ranches, who is apparently in permanent contact with Punta Arenas and London, cities to which he reportedly travels very often. In addition to that, there is always a Chilean submarine in the Straits of Magellan.

In sum, it is believed that the Chilean forces in the southern zone are three times greater in number and firepower than the Argentine forces. By the way, this situation does not go along at all with the "spirit of peace," which according to Caputo, now prevails in the relations between the two countries, taking into consideration that the increase in the Chilean military capability became obvious just before or about the time of the signing of the Beagle Channel Treaty. Regarding Brazil, its military deployment at the border has become ven more important and warrants attention, as pointed out by Frondizi yesterday.

Then everything indicates that the isolationism advocated from within Argentina tends to cause neighboring countries to create an armed fence around us. Under these conditions, "revolutionary" activities and "Latin American" nationalism are not just a problem of ideology or of carrying out a determined political system or state project. They are problems of national survival. Therefore, on the fourth anniversary of the "feat" or "disaster" of the Malvinas, it is necessary for the Argentine people to ponder the things we can still lose.

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CSO: 3348/495

DETAILS OF ARMED FORCES CHIEFS MESSAGES

PY041728 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1840 GMT 2 Apr 86

[Text] Buenos Aires, 2 Apr (NA)--Navy Chief of Staff Vice Admiral Ramon Antonio Arosa today labeled as "exemplary" the military action carried out on 2 April 1982 in which "the Argentine Armed Forces achieved their objective under difficult conditions, and without bloodshed."

Arosa's message was read at noon today in the country's naval garrisons and institutions on the anniversary of the first battle in the war against Great Britain for the recovery of the sovereignty of the Malvinas.

Arosa's message ways that "4 years ago today, the Argentine joint forces reintegrated the Malvinas Islands into our territory in an operation that can be labeled as exemplary for having achieved their objective under difficult conditions, and without bloodshed."

Arosa adds that "on the new anniversary of this historic event we recall with pride the names of those who fell that day as well as of the Argentine civilians and militarymen who heroically gave their lives in later operations thus reaffirming our unyielding sovereign rights over our territory."

Arosa goes on to say that the Argentine Navy "will forever keep in its memory the South Atlantic war not only because it was fought for a just cause but because its men without exception gave testimony to the virtues advocated by Admiral Brown. Our comrades in the Army, Air Force, and other security forces, as well as the civilians have also shown courage, and manliness in the great battles of the South Atlantic."

Arosa added that "only with patriotism, stoicism, discipline, professional ability, and esprit of corps, qualities that our men who fell possessed can the institutions achieve relevance and respect."

Arosa's message says "Upon evoking their memory I invite you to ponder about the noble meaning of the unselfish sacrifice of those who are no longer with us to ask the All Mighty to grant their souls eternal peace."

In conclusion Arosa's message says that "they knew how to fulfill that duty when the time came" and "their memory encourages and inspires us to continue fulfilling our duty."

For his part, Air Force Chief of Staff Brigadier Ernesto Crespo today voiced his hope that "those of us who survived the Malvinas war will have as much courage as those heroes who shed their blood so that the institution may continue on the path of sacrifice and courage" taken by our martyrs.

In a message addressed to all the Air Force garrisons and read during the main ceremony presided over by Brigadier Roberto Clambor at the military Air Force headquarters, Crespo urged his subordinates to join the effort to be able "to give our successors an Air Force worthy of that force that showed the enemy that it did not swear in vain to defend its flag with its life."

Crespo said that "on this date that marks 4 years since we recovered the Malvinas I wished to recall the somewhat painful but proud memories of this heroic deed so dear to the Air Force, which fought unconditionally with energy, discipline and courage, but above everything with deep love for the country in defense of its sovereign rights."

He then said that he hoped that "this example set by our main forces and recognized by the whole world not be forgotten. The lost lives of our dead heroes should help inspire renewed force in those who survived, to allow our institution to continue following the principle of sacrifice and courage as we are obliged because of the glories we obtained and the current demands imposed on us."

Afterward he added that "with faith in my soul, a serene thought, and sure action, I invite you all to join in the effort to be able to bequeath our successors an Air Force worthy of that which showed the enemy that it did not swear in vain to defend its flag with its life."

Finally he stated that "if we do so, our Lord will allow our flag to flutter again with honor on the unredeemed land of the Malvinas Islands."

In turn Army Chief of Staff General Hector Rios Erenu today exhorted his subordinates to rmember "the anonimous hero that worked nonstop day and night with scarce resources" during the military operations of the Malvinas War.

Rios Erenu's message was read during a ceremony that took place this morning on the date commemorating the start of the Malvinas War 4 years ago on the parade ground of the Libertador Building in this city where the Army paid tribute to those who died in combat.

In his message, Rios Erenu urged that "that heroic action that allowed our national flag to once again flutter at the top of a mast in Puerto Argentino, encourages us to improve our training and our combat ability."

Rios Erenu recalled "the soldiers who participated in feats still not registered by military history, as well as those others who gave their lives."

"Their sacrifices were not in vain because the lives that were lost stand as a testimony before the world and history of a fair cause," Rios Erenu said.

The ceremony was presided by Army Staff Deputy Chief General Mario Sanchez, and it was attended by Malvinas war veterans. The ceremony concluded with an outdoor mass offered for those who died during that heroic deed.

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CSO: 3348/504

DAILY CRITICIZES ADDRESS BY PARAGUAY'S STROESSNER

PY081931 Buenos Aires LA PRENSA in Spanish 7 Apr 86 p 6

[Editorial: "A Message Plagued With Fallacies"]

[Text] The speech the president of Paraguay delivered to open his country's congressional session has caused great astonishment, because what he said is completely contradictory with the situation that this South American country is presently experiencing.

No one can rightfully say, as the unscrupulous president said, that there is freedom of the press in Paraguay, when an independent newspaper such as ABC COLOR has been closed for 2 years and 1 month because of a government decision; or when its director has been arrested merely for exercising his legitimate right to criticize the local authorities.

Neither can the opposition political sectors, which denounce, as is their duty, the excesses committed by the government and its highhanded string-pulling, be described as unrepresentative of politically weak.

This is the same government which only a few weeks ago instructed the police to shoot at and disperse a demonstration in which 5,000 people were expressing support for the Authentic Radical Liberal Party [PLRA] and exercising their right to hold a meeting.

The president's abusive language also included the Church, whose hierarchy was warned that they should exclusively preach the Word of God, as if the Church had no involvement in community affairs relative to the behavior of man and society. Such a limitation imposed on pastoral preaching would leave void of any content the message of the Gospel, which is not only theological but also deeply humanist in tone.

In addition to the gross conceptual errors that it contains, it is obvious that the presidential message clearly reveals the isolation of this paternalistic and authoritarian regime, which is characterized by its opposition to the leading national sectors. It is not uncommon to find in the same or similar critical position, the Church, journalists and the political leadership. Such uniformity in condemning a government by such qualified spokesmen makes us believe that the charges raised against the Paraguayan Government for abuse of power are true.

/9604
CSO: 3348/504

PC'S FAVA SCORES GOVERNMENT, UNION LEADERS

PY110018 Buenos Aires DYN in Spanish 2110 GMT 6 Apr 86

[Text] Buenos Aires, 6 Apr (DYN)--Communist Party [PC] Secretary General Athos Fava said that the recent speeches of Labor Minister Hugo Barrionuevo and Economy Minister Juan Sourrouille are "a slap in the face for the entire labor movement and the people," and added that "struggle is now our only recourse."

Fava spoke at 1730 today at "Ferifiesta 86," the third annual fair sponsored by the Communist Party. In his speech the communist leader charged the labor leaders with "conniving and entering into pacts with the employers and the government in order to sabotage strikes or challenge the victories of combative unions, as they have done with the meatworkers union," obviously referring to recent elections in the meatworkers union where the joint ticket of the PC and of the Movement Toward Socialism [MAS] won.

Fava recalled some of the remarks that President Raul Alfonsin made during his controversial Villa Regina speech [in which he lashed out at the communists] and said: "I want to repeat here today that the bourgeoisie, whether willing to initiate reforms or not, could never head any movement toward liberation."

Fava praised the People's Front, an electoral alliance of the PC, the MAS and certain Peronist sectors, by saying that "the axis of this alliance is anti-imperialist and anti-oligarchic unity which will gather the Peronist left, the socialists, the intransigents, the Christian Party and the Radical Civic Union left."

Athos Fava concluded his message by lashing out at the radical government for "maintaining the repressive labor laws of the dictatorship, the same judges and the same repressive mechanisms," and said that the PC "clearly and openly states all the aspects of the government policy of which it approves or disapproves."

/9604
CSO: 3348/504

ARGENTINA

BRIEFS

$350-MILLION CREDIT GRANTED--Buenos Aires, 3 Apr (TELAM)--The Economy Ministry officially reported tonight that the Board of Directors of the World Bank today unanimously approved a $350-million credit for Argentina that will be sent to increase the production and exports of the agriculture and livestock sector. Among other things, these funds will provide compensation for the reduction in the amount withheld by the government on agricultural and livestock exports. [Text] [Buenos Aires TELAM in Spanish 2309 GMT 3 Apr 86 PY] /9274

CSO: 3348/495

BAHAMAS

ISAACS SPELLS OUT GOALS OF [illegible] FNM GOVERNMENT

Nassau THE TRIBUNE in English 24 Mar 86 p 1B

[Text]

CORRUPTION will not be tolerated in the ranks of an FNM government, promised party leader Kendal Isaacs, speaking to members of his Delaporte constituency Thursday.

He said that an FNM government could not "afford to jeopardize the confidence of investors whom we will attract to the Bahamas" and pledged that they will "stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing."

Following is the full text of Mr Isaacs' speech:

I am satisfied and I can assure this nation that the Free National Movement has the ingredients necessary to turn this country away from the maladministration of the Pindling Government towards the New Direction envisaged by the FNM.

I also want to assure every Bahamian wherever you are tonight that the Free National Movement believes in the Bahamian people. We know that in the great majority we are a freedom-loving, God-fearing and christian people. The Free National Movement is on your side and we will not let you down.

The FNM abhors greed and corruption and will never tolerate them in its ranks. The new direction will not accommodate men and women who allow themselves to be bribed or corrupted.

We are committed to the operation of a government of men and women of such values as honesty, decency and fairplay, inspired by love and service to God and all our fellowmen.

We will face the challenge to provide a better and more fulfilling life for all Bahamians. Nothing or no one shall be allowed to get in the way of these our solemn commitments.

The FNM will enforce the laws against bribery and corruption. It is my promise to you, the Bahamian people, and it is necessary to repeat it again, that corruption will not be tolerated in our ranks.

We cannot afford to jeopardize the confidence of investors whom. We will attract to the Bahamas, and furthermore we must set good examples for the nation, especially our young people; to show them that there is no glamour in being crooked but that there is dignity and personal satisfaction in honest work for honest pay.

It is no secret that too many of our people are unemployed and have been unemployed for too long. By the Government's own reckoning there are 21,000 people who are without jobs.

For a small country such as ours, the FNM considers that too high a figure and we find it totally unacceptable. From our own observation and information available to us, we have reason to believe that the unemployment figure is even higher.

None other than the Prime Minister himself promised the Bahamian people as far back as the late seventies that there would be full employment by 1980. We don't know what he meant when he used the phrase "full employment." What we do know is that 1980 was six years ago, and instead of the employment situation getting better, it has got progressively worse.

Too many of our youth who deserve to be working at honest jobs are instead being recruited by the drug pushers and are themselves becoming victims of drug abuse.

The solutions to our massive unemployment problems are to create an economic climate in our nation for commerce and industry to prosper and to provide incentives for Bahamians to have their own businesses and to encourage investments by reputable foreign persons and companies.

If these conditions exist in a climate of social and political stability and mutual trust and respect between the Government and the private sector the problem of uneployment will be solved or lessened to a substantial degree.

The PLP Government have for the last couple of years been operating like a "government in crisis", which in fact it is. The FNM is convinced that no serious long-term plan for development exists on the Government's agenda.

The PLP Government has not been bold enough to take the bull by the horns and lead the entire country forward to genuine progress by long-term planning and timely execution of those plans. There has been a dismal lack of co-ordinated development planning in the use of our land, natural resources and infrastructural expansion.

Furthermore, there has been an abysmal lack of planning in the repair and upkeep of government properties, buildings and various other facilities throughout our archipelago. Millions of dollars have been wasted on the acquisition and construction of expensive facilities which were then foolishly left to waste and deteriorate.

The FNM Government will plan for the orderly development of our country in the following areas:

1. The proper use and disposition of land;
2. The intelligent use of our natural resources;
3. Infrastructural expansion throughout the Bahamas with particular emphasis on the Family Islands;
4. The protection of our ecology and the preservation of our natural beauty;
5. Urban development with special emphasis on rebuilding the older sections of Nassau Over-the-Hill;
6. Further tourist developments and expansion with particular emphasis on the Family Islands;
7. Agricultural development and experiments in Andros, Eleuthera, Long Island and the Eastern Islands.
8. A massive road-building programme together with an on-going system of repair and unkeep;
9. Installations of running water, electricity and telephone services especially to our far flung Family Islands.
10. An immediate and intensive system of building docks and harbours and upgrading airport facilities in every major island.

In connection with number five, let me say that the PLP Government has again talked much and done little. The Prime Minister says that $5 million is being committed to the Grants Town renewal programme. Now that is a drop in the bucket and, furthermore, only about half that amount will be spent this year, if that.

We pledge that we will not squander the country's money experimenting with grandiose private sector enterprises. The moneys which are presently being spent in those areas will be diverted into our development plans so that our people througout the country may enjoy a better standard of living.

Every Bahamian should have a roof over their head, with a good water supply, electricity, telephone service, decent roads, docks, airports, good health care and a well-balanced diet, among other things. The FNM will initiate a bold approach as it charts the way towards the new direction for our country.

The employment situation together with other economic indicators such as the strength of the dollar, investment climate, interest rates, the money supply, venture capital, the building industry and many others, together will determine the state of the economy overall.

The responsibility of priming the economic pump so as to induce a steady flow of money all the way down the line to our farmers, fishermen, domestic workers, insurance, banking, building and small industries rest squarely with the Government. If the Government by its policies and attitudes is perceived by the business and industrial community to be setting bad policies, passing retrogressive legislation, allowing political peddlers to swindle investors, and refusing to play by the rules from day to day, then these agents of economic growth will take their businesses somewhere else.

The FNM reiterates with even greater conviction its previously stated policy that the Government should not become involved unnecessarily in the private business sector. The record shows that the PLP government has squandered millions of dollars trying to run businesses which are best left to private enterprise.

The case of the Lucayan Beach Hotel in Freeport is a good example which was mentioned by previous speakers. The Hotel Corporation, which was until recently under the chairmanship of the Prime Minister himself, has been refurbishing this hotel for nearly 10 years and spending millions. Still it is not yet opened. This is a scandalous waste of the public's money which could have been put to better use. Instead, the public has to suffer neglect in essential services and facilities and still has to turn around and pay additional taxes so that the borrowed money of a half billion dollars, interest on the loans and losses can be paid off.

As far as the economy is concerned, one of the first things an FNM government will do is set about through various means immediately to restore the confidence of Bahamian and foreign investors so that clean money will flow into the country to create jobs.

We will process in a reasonable time, free from unnecessary red tape, all serious proposals for investment. Once we have given the go-ahead to any investor as a mature and responsible government, we will keep our word and abide by our agreement.

We will stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing.

The FNM as the government shall remain committed to the improvement and expansion of the tourist trade. We recognize the impact tourism has had upon Nassau and Freeport, but we see an even more exciting expansion and further development of this our number one industry in our beautiful and unspoilt islands.

National stability in our view can only be assured if our people are able to find worthwhile jobs in their own communities rather than overcrowding Nassau and Freeport in search of employment.

Let me further state for emphasis that an FNM government is committed to develop the full potential of agriculture, fisheries and light industries in our country, to give Bahamians full participation in the economic development of our country, to help create more jobs, and to cut back on our massive annual expenditure for imported foods.

The PLP government in our view has been totally insincere about agriculture and fisheries as the glaring neglect all around us indicate. This neglect and insincerity are further demonstrated each year as the PLP government talks a lot about agriculture but spends only a little to encourage it.

An FNM government will continue the development of our social security system to assist the poor and our senior citizens.

There is no question that we need to turn in a new direction in order to build a new society.

A society where human freedoms and the right of people to differ, to criticize, to live the way they please within the framework of the rights of others, where true democracy may flourish.

A society free of all forms of unfair pressure, of corrupt use of power, of victimizing people and denying them the right to live because they do not share your political beliefs.

A society in which all men and women who want to work can find work to do.

A society which is not plagued with violent crime, a rampant drug trade and the scourge of drug abuse among so many of our people.

A society free from bitterness and fear which are now like dark clouds over this land. We must restore tolerance and unity. A country divided against itself cannot generate the dynamism to make the changes which are needed at this time.

Our party and the next government of this country - the FNM Government - will need the co-operation, trust and confidence of all Bahamians who can put progress for all ahead of unconscienable gain for the few. I promise honest government and fairplay for all.

And so, fellow Bahamians, and especially those of you who have not yet made the decision to support us, I say tarry no longer, for each day you support the PLP another nail is driven in the nation's coffin.

Let us all join hands so that we can make an even mightier force to set our beloved Bahamas in a new direction, free of past ills, free to renew our christian belief in the brotherhood of man, and where every man strives to be his brother's keeper in a nation which is not for sale.

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CSO: 3298/396

BAHAMAS

FNM STATEMENT WARNS OF RECOURSE TO PEOPLE'S POWER

Nassau THE TRIBUNE in English 24 Mar 86 p 1

[Article by Athena Damianos]

[Text]

UNLESS Prime Minister Pindling calls an election by the end of June, the Opposition will utilize "people's power" and take to the streets in demonstrations, the FNM warned in a Press statement today.

"The FNM serves notice on the Prime Minister that in the face of mounting international rebuke his corrupt Government has received and is still receiving abroad, the Opposition intends to hold him to his word concerning his call to his supporters to register by June. It is a clear implication that elections will be announced in that month or shortly after," it said.

Should he renege on this, the Opposition, utilizing 'people's power,' "will again take to the streets in demonstration until he does the honourable thing," the FNM warned.

On March 6, Sir Lynden asked supporters at a mini rally in Shirlea to get registered by June. He said that the Ministry of National Security was trying to organize satellite registration stations in Nassau and Freeport.

Parliamentary Registrar Creswell Sturrup said today that the required announcement will be made in accordance with the Representation of the Peoples Act. He declined to give a date.

The FNM said that the compromised position of Sir Lynden, 56, is still the subject of much negative publicity in the world press and controversy and discussion in the international banking arena.

It pointed out that corruption in the Bahamas and the use of local banks by drug smugglers was recently featured in The Toronto Star, a leading Canadian newspaper.

"Once again the Prime Minister's conduct has given the decent and honest citizens of the Bahamas an international black eye and our country is subjected to public odium, ridicule and contempt because of corruption in the PLP Government," said the FNM.

"The FNM sincerely regrets that the Bahamian people will still have to wait until June of this year before they will be given an opportunity to vote in general elections which are so badly overdue.

"Once again the trickery and incompetence of the Pindling Government has caused this delay as the country is today without a register of voters. Had the Government carried out the necessary provisions of the Constitution and the law which would have allowed them to prolong the old register or start the new register before the old register ceased to exist, this situation would have been avoided."

The FNM served notice on the Prime Minister that in the face of mounting international rebuke his "corrupt" Government has received and is still receiving abroad, it intends to hold him to his word concerning his call to his supporters to register by June.

It said that to date, the Pindling Government has been featured by news media on both sides of the Atlantic and the Prime Minister's conduct has been held up for the whole world to see "what manner of man is this."

Earlier this year The Toronto Star in an investigation on Canadian banks doing business in the Bahamas featured the Prime Minister again under this same scope, "but this time the publication raised doubts about confidence in the minds of international banks doing business in the Bahamas under the Pindling administration.

"The Free National Movement believes that foreign banks operating in the Bahamas need to be assured that they are dealing with an honest Government and a trustworthy Minister of Finance," it said.

"If these banks, which are being pursued daily by the United States Government to produce records of American citizens in connection with drug trafficking and money laundering, are convinced that complicity in such schemes goes to the highest level in the country then it is painfully obvious that almost overnight the pillars of the banking community in the Bahamas could collapse and thousands more Bahamians be unemployed."

The Toronto Star dealt in depth with the accusations of drug traffickers Frank Barber, Timothy Minnig, Robert Twist Jr and others. In particular the newspaper looked at the special relationship Timothy Minnig shared with Edward Sawyer, former branch manager at a local bank and Minnig's claim that Sawyer helped him bank his "ill-gotten" wealth and supervised his deposits and withdrawals.

Minnig claimed he gave the Prime Minister $100,000 to provide protection for the Minnig drug empire, which operated brazenly and quite successfully with little local interference, in the Bahamas during the period 1979-1981. The Commission discounted Minnig's claim.

The Toronto Star dealt with Mr Sawyer's glowing letter of praise and recommendation which he provided Minnig and the sudden twist he took in his testimony in this regard during the hearings of the Commission of Inquiry.

"The FNM is still baffled over why Prime Minister Pindling met with Mr Sawyer just days before Mr Sawyer gave his testimony at the Commission of Inquiry and we are sure that this question is one which still puzzles the entire banking community," the party said.

"Once again it has been shown that Prime Minister Pindling's tenure in office in the face of monumental wrongdoing and serious allegations are undermining the foundations of the Bahamian society and sapping the morale of the Bahamian people."

Almost $200,000 was deposited to the Prime Minister's bank account during the period 1977 to 1983, the source of which could not be identified.

One of the Commissioners, Bishop Drexel Gomez, in his finding said he could not say that money the Prime Minister received did not come from drug related sources. He chastised the Prime Minister for operatig his financial affairs in such a way that it would be difficult to preclude drug money from finding its way into the Prime Minister's account.

Time Magazine, in its March 1986 edition recalled again that the Commission of Inquiry implicated two Cabinet members in drug smuggling and nearly toppled the Pindling administration.

It also referred to a Miami Herald editorial which stated in part: "The panel portrays a country haunted by cocaine abuse, a police force riddled with corruption, lawyers perverted by greed and a government tainted by widespread influence peddling."

"The FNM once again reiterates that against this continuing backdrop we will hold the Prime Minister to his word regarding early elections as only a new mandate from the people can save the Bahamas from further embarrassment abroad and safeguard the high office of Prime Minister from odium and contempt," it said.

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BAHAMAS

ELECTION SPECULATION SPURRED; PLP-FNM ROW CONTINUES

Public Disclosure Appeal

Nassau THE TRIBUNE in English 20 Mar 86 p 1

[Excerpts]

GOVERNMENT has given notice of its intention to appeal Opposition leader Kendal Isaacs Public Disclosure victory to the Privy Council, sparking speculation that Prime Minister Lynden Pindling has begun his election campaign.

The Attorney General's Office yesterday filed notice of its intention to apply for leave to appeal to the Privy Council on behalf of the Public Disclosure Commission against the recent decision of the Court of Appeal, which held that the complaint by Mr Isaacs against certain non-disclosures by the Prime Minister must be reheard by the Public Disclosure Commission.

There is speculation that, rather than face a possible second defeat in the courtroom, Sir Lynden may call an election before the Privy Council hands down a decision. The Privy Council would probably take between two and four months to deal with the matter, a lawyer who has dealt with the Council said today.

Isaacs Press Conference

Nassau THE TRIBUNE in English 20 Mar 86 pp 1, 14

[Article by Athena Damianos]

[Text]

THE PLP Government is trying to use the Haitian problem to camouflage their failure and detract from the key issue of corruption in the Government, FNM leader Kendal Isaacs said today.

Mr Isaacs prefaced his remarks at today's press conference, saying that as early as 1975, the FNM was advocating in and outside of Parliament that something had to be done about the vexing illegal immigrant problem with which the country was faced.

"Of course, our words fell on deaf ears. Evidence would show later that Prime Minister Pindling was too busy taking care of his financial affairs than dealing with the problems of the nation," he said.

He said that National Security Minister Loftus Roker has been given approximately 12 hours of air time on ZNS radio and television to repeat over and over again his now "infamous insult" to the Prime Minister and his insensitivity to the rights of human beings.

"Mr Roker has told us that he organized his raids on two

Bahamian islands without even consulting his Prime Minister, his Minister of Foreign Affairs or the Attorney General. However, we understand that Mr Roker saw fit to consult the American Embassy on his intended move," Mr Isaacs said.

"We in the FNM were appalled when we learnt of how the raids at Bimini and Cat Cay were conducted. We are totally satisfied that our information that the raid was callously conducted and human beings were subjected to harsh and cruel treatment is correct."

Mr Isaacs pointed out that Catholic Bishop Lawrence Burke has described as "sub-human" the conditions in which the over 200 men, women and children are living at Fox Hill Prison.

"Prime Minister Pindling, as expected of him, has resorted to name calling and labelling as FNM any critic of any of his Government's policies. We wonder how he will handle Bishop Burke's comments," he said.

"Sir Lynden has said that you can't play politics with human suffering. But that is exactly what he is doing. He has admitted that these people are suffering in Fox Hill Prison under the conditions in which they are being detained but he is powerless to do anything about it."

Mr Isaacs, on behalf of the FNM, advised Government to enter into discussions with the Governments of the US and Haiti in an effort to find a workable solution to the illegal immigrant problem.

"We believe that the Government of the United States can more effectively influence the new Government of Haiti to take back her people," he said. He pointed out that Haiti is dependent on US economic aid, and saw no reason why the Bahamas couldn't persuade the US to press the Haitian government to take back its nationals.

Mr Isaacs said there is a mutuality of interest here since Haitians in the Bahamas will try to get to Florida.

"But whatever is done, we say the Haitians and especially the children should be treated like human beings and not brutalized in the process of repatriation. We can never abandon this position so Sir Lynden can call it what he likes," he said.

Mr Isaacs said that for the last 20 years, Government, "save for the usual lip service," has sat back and allowed the illegal immigrant situation to grow out of proportion. He said it has escalated to an unacceptable level.

Mr Isaacs said the FNM stands firmly behind the country's immigration laws and their proper enforcement.

He quoted from the party's 1982 Declaration of Commitment: "The FNM sympathizes with those peoples of the world who leave their homeland in search of a better way of life but the Bahamas cannot absorb these people because of our own unemployment problem. However, we recognize the common dignity of all peoples and we will ensure that they are all afforded humane treatment and protection under the law."

McWeeney on PLP Dissidents

Nassau THE TRIBUNE in English 20 Mar 86 p 4

[Article by Anthony Forbes]

[Text]

PLP Chairman Senator Sean McWeeney declared Tuesday that if dissidents work out a deal with the FNM for the opposition not to oppose them, they will be branded as "closet FNM candidate" and "silent collaborators" of the official opposition.

Speaking at a PLP mini-rally in the Carmichael constituency, Sen McWeeney said that the dissidents have no way to turn, no "viable options" open to them and have become frustrated, which explains to a very great extent their performance in parliament.

He told of former PLPs creating a third party, of the Dissident Eight revolt of 1970, and of other parliamentarians, who were "steamrolled over" and "mashed" by the PLP machine in every general election since 1967 when the party won power at the polls.

"And so the moral of that history lesson is threefold," he said. "One, if you want to play the fool for one moment and if you believe that PLPs are going to play the fool with you, you are in for a big mistake."

"PLP's go with PLP's and if you believe for one moment that you can fool PLP's into believing otherwise, you are in for the greatest political shock of your lives," the PLP chairman said.

Secondly, he said, "the national electorate in this day and age, has no use for dissidents of either party and that goes for George Wilson too."

"There is no such thing as an independent politician in this day and age," he said. "The political mainstream in this country is occupied by two political parties, the PLP and the FNM and those are the only two parties that will return anybody to parliament."

He said that independents, Free-PLP's and independent PLP's are wasting their time.

"And thirdly, if any of those two or two and a half fellows believes for one single moment that they can escape the lessons of history, I can assure them that they are condemned to repeat them," he said.

"But let me say that I can understand the frustration of some of that tiny crew may be going through, and I think it is important that we understand that situation because once you understand the frustration, you can then understand why some of them are behaving as they are in parliament," he said.

He said that the problem is that the party has taken a position on one of them, former Minister of Housing and National Insurance Hubert Ingraham, MP for Cooper's Town, Abaco.

"The party has said that Hubert Ingraham is not going to be nominated in the next general elections, and there's no question about that, he is not going to be nominated," Sen McWeeney said. "That's a final decision of the party."

"But you see, the other fellows, a couple of these other fellows, were in this thing as much as Hubert, and they are going to have an awful lot to explain to Hubert if they go ahead and accept a PLP nomination, if Hubert has been declined a PLP nomination," he said.

"So you see they have a problem with taking a PLP nomination, so what are their choices?" the PLP Chairman asked.

"They know, I believe, if they run as independents they are going to be slaughtered because the whole weight of historical precedence as I've outlined to you is known to them and they must be able to understand what that means and so they must be able to see that to run as an independent is not a viable alternative," Sen McWeeney said.

He said that the dissidents have said publicly that they won't run on an FNM ticket.

"They've said that over and over again and so they can't now run on an FNM ticket because they then wouldn't have any political credibility," he said.

"But it doesn't even stop there," he said. "They can't even work out a deal with the FNM for the FNM not to oppose them because if the FNM doesn't oppose them, we are going to brand them as closet FNM candidates as they are silent collaborators of the FNM and closet supporters of the FNM."

"So where does that leave them, they can forget about the third party option. They saw what happened to the NDP in 1967, you see there is no way to turn, and when you have no way to turn, when you don't have any viable options open to you, all that happens is what you see is frustration," he said.

"All you see is frustration and I believe that that explains to a very great extent, the performance of some of these fellows in parliament and I generally feel sorry for them because if I was in their position, I probably would feel the same way but I'm happy I'm not in that position and I'm not going to be in that position," he added.

"And they got in that position by their own choosing and it is their problem, not our problem," the PLP Chairman declared.

He said it is important for PLP's to understand and appreciate these things because "very often all we do is we sit down and say why so and so carrying on like this is parliament, what's his reason, why is he carrying on like this for."

"But you have to understand the political reasons, the political circumstances which accounts for this kind of behaviour and once you can see that, once you can appreciate that, it becomes less of a problem in your mind," Sen McWeeney said.

He said that the party is pointing out to the dissidents the areas of darkness in which lurks the numerous pitfalls to which they can fall "and we hope that they can heed those kind words of advice which are given this evening."

Ingraham Response

Nassau THE TRIBUNE in English 21 Mar 86 pp 1, 4

[Article by Athena Damianos]

[Text]

IT IS essential that the case against blatant corruption and "shamelessly sickening banditry" in high places be put along with other issues during the next election campaign, former Housing and National Insurance Minister Hubert Ingraham said today.

Mr Ingraham, who was responding to remarks PLP chairman Sean McWeeney made Tuesday, assured the chairman that he proposed to assist in doing this.

At a rally Tuesday, Mr McWeeney took a swipe at the Cooper's Town MP over the party's decision not to nominate him as an election candidate. He told PLP supporters that former dissidents who tried to create a third party were "steamrolled over" and "mashed" by the PLP. He referred to Attorney General Paul Adderley, who left the party to form the NDP, but later rejoined.

Mr Ingraham, 38, today had these words of advice for Mr McWeeney: "In the effort to put out my political candle, your steamroller and all others who support you should take great care not to have their fingers burnt or the steamroller overturned."

He also gave the chairman a brief history lesson on what happens to arrogant rulers.

Mr Ingraham said he was surprised that Mr McWeeney invited Kendal Nottage to share a platform with him at the Carmichael rally Tuesday because of his known position in relation to Mr Nottage's candidacy. He was also suprised that the chairman used the occasion to belittle Mr Adderley.

Mr Ingraham said he has been denied a PLP nomination by the NGC at the wish of Prime Minister Pindling with the active encouragement and support of Mr Nottage.

He pointed out that the stated reason for the decision was because "I dared to speak in the People's Parliament against compromised and disgraced colleagues and the inexcusable neglect of the Family Islands - a subject which I have been addressing since my election to Parliament in 1977."

Mr Ingraham said that the denial of a nomination was made by some PLPs sitting in judgment in Nassau without any consultation with PLPs in Cooper's Town and in spite of the expressed wish of virtually all of his constituents for him to be the candidate in the next elections.

"The contempt shown towards the Abaco PLPs is a good example of how the 'steamroller' is moving on its 'way ahead' with Kendal Nottage, who exercises unimaginable influence in PLP circles, as an unofficial immovable mate and Sir Lynden as its eternal captain," he said.

"It is essential that the case against blatant corruption and shamelessly sickening banditry in high places and the case for economic development, job opportunities, infrastructural development and local government be put during the next election campaign. I propose to assist in doing this.

"I am fully aware that the road to Parliament for me in the next election will not be smooth and many obstacles will be placed in my path; but to overcome difficulties, as someone said sometime ago, is to experience the full delight of existence."

Mr Ingraham acknowledged that most politicians who tried to swim against the tide ended up politically grieviously harmed or dead.

"I assume therefore, that Sen McWeeney was simply perfecting his act of ingratiation when he spoke of the political history of so-called PLP dissidents rather than seeking to lecture or frighten. The chairman would do well to remember that 'brag is like a dog that everybody hates but nobody fears,'" he said.

"While recounting history, we should not forget...the recent political demise of rulers such as Marcos of the Philippines,. Baby Doc Duvalier of Haiti and Bokassa of the Central African Republic and not so long ago, Somoza of Nicaragua and the Shah of Iran. (Incidentally, all of these former rulers had their McWeeney's until the very end)."

Mr Ingraham reminded the chairman that history has shown men who tend to be most arrogant are commonly the most mistaken.

"Frankly, I do not need Sen McWeeney to tell me what my political options are for he is a mere novice mouthing the sayings of a Chief whose perception is now clouded by the absolute need to remain supreme and to have so-called 'irritants' like myself removed from Parliament. In any event, why doesn't Sen McWeeney wish to be a PLP candidate in the forthcoming general elections? , Armchair generals like

Sen McWeeney should put their theories into practise."

Mr Ingraham, who has served in the PLP hierarchy since he was 28, when he was chairman, said he does not want sympathy or pity from anyone, least of all from Sen McWeeney.

However, he was "truly sorry" for Mr McWeeney's public and private expressions, which he said are hopelessly irreconcilable.

"I refuse, however, to remain silent in the face of the great cover-up in which the chairman is presently participating, assisting and orchestrating for the sole purpose of preserving the role of one man and the offering of protection to his friends to the ultimate detriment of our organization and country," Mr Ingraham said.

He said the most startling aspect of Mr McWeeney's comments related to reducing men and PLP MPs to fractions.

He felt Mr McWeeney would be the last person to talk about being less than whole as, in his opinion, he is not qualified to do so.

"The good senator knows that he cannot win on this score...Sen McWeeney would be well advised not to refer to men and party colleagues in fractional terms again," he said.

Mr Ingraham said he is comforted by the support he has received and continues to get from the people of Cooper's Town.

Voter Registration Charges

Nassau THE TRIBUNE in English 21 Mar 86 p 1

[Article by Anthony Forbes]

[Excerpts] The Free National Movement has information that some persons are registering in more than one constituency so that they will be able to vote more than once in the next general elections.

This revelation was made last night by Official Opposition Leader Kendal Isaacs who warned that a fine and/or three month prison sentence faced anyone convicted of such an offence.

"Anyone who wants to take that chance of registering in a constituency in which he is not resident or register more than once," said the former attorney general, "stands the risk of being prosecuted and if we find that declarant, then that declarant will be handed over to the proper authorities for the necessary action."

Addressing his Delaporte Constituency Forum at St John's High School auditorium, Mr Isaacs said the FNM will remain vigilant and will examine every voters list and will not wait until election day to challenge those individuals.

Mr Isaac's remarks on the registration of voters came at the end of his talk on "Business and investment opportunities under an FNM Government."

Other speakers at the Forum which also featured a question-and-answer period at the end of the addresses, included Yamacraw MP Mrs Janet Bostwick on "Opportunities for Women," and Torchbearers Youth Association President Tommy Turnquest on "Opportunities for Youth under an FNM Government."

"It is essential that we register if we hope to make a contribution," he said. "To use a well-known phrase, a 'voteless people is a hopeless people.'"

"We are concerned from information received that some individuals are registering in more than one constituency and they are hoping to get away with that on election day when they hope to vote more than once," Mr Isaacs said.

"I would like to sound a warning to such individuals, we in the Free National Movement will be vigilant and we will examine every voters list and comparing that list with the people who live in that constituency," he said.

"And if we find that people are registering in constituencies in which they do not live, then we are not going to wait until election day to challenge such persons," he said.

The Opposition Leader said the law provided that three or more registered voters in a constituency can petition the Parliamentary Registrar or a Revising Officer if they find that someone is registered in a constituency while not being qualified to do so.

"And the Revising Officer or the Parliamentary Registrar, if it is proved that that is so, can strike that person off the register," Mr Isaacs said.

"We will be, as I have said, be watching that register and we intend to see to it that only persons qualified to register in a constituency are allowed to register," he said.

Reiterating that the Government will not become involved unnecessarily in the private business sector, Mr Isaacs said that the record shows that the PLP Government has squandered millions of dollars trying to run businesses which are best left to private enterprise.

As far as the economy is concerned, he said, one of the first things an FNM Government will do is to set about through various means immediately to restore the confidence of Bahamian and foreign investors so that clean money can flow into the country to create jobs.

"We will stamp out immediately the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing," the Opposition Leader said.

He said that an FNM Government will process within a reasonable period of time without unnecessary red tape, all serious proposals for investment.

"Once we have given the go ahead to any investor, as a mature and responsible Government, we will keep our word and abide by our agreement," Mr Isaacs said.

He said that an FNM Government is committed to develop the full potential of agriculture, fisheries and light industries in the Bahamas to give Bahamians full participation in the economic development of the country and help create jobs and cut back the massive annual expenditure on imported food.

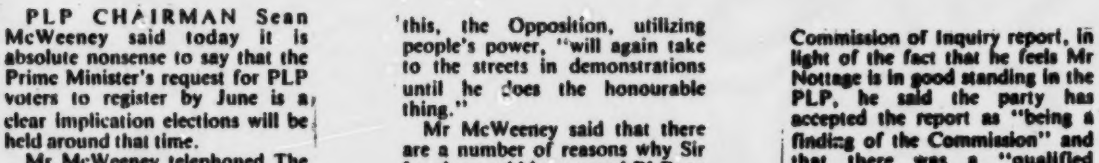
He said that an FNM Government will continue the development of the country's social security system to assist the poor and senior citizens.

PLP Disclaimer

Nassau THE TRIBUNE in English 25 Mar 86 pp 1, 12

[Article by Athena Damianos]

[Excerpts]



PLP CHAIRMAN Sean McWeeney said today it is absolute nonsense to say that the Prime Minister's request for PLP voters to register by June is a clear implication elections will be held around that time.

Mr McWeeney telephoned The Tribune at lunchtime to brand the Opposition's remarks of yesterday as "a complete *non sequitor*."

"This isn't the Philippines. The Opposition is obviously emboldened by what it has seen in the Philippines and Haiti. There's no parallel whatsoever," he said.

Mr McWeeney said that the Opposition's threat to utilize "people power" and take to the streets in demonstrations if an election is not called by the end of June is "strictly unoriginal" and a "recycling of FNM tactics."

The FNM served notice yesterday that, in the face of mounting international rebuke the "corrupt" Pindling administration is receiving, it intends to hold the Prime Minister to his word concerning his call for PLPs to register by June.

"It is a clear implication that elections will be announced in that month or shortly afterwards," the FNM said, adding that should Sir Lynden renege on this, the Opposition, utilizing people's power, "will again take to the streets in demonstrations until he does the honourable thing."

Mr McWeeney said that there are a number of reasons why Sir Lynden could have urged PLPs to vote, including the Opposition's suggestion. He said another possibility was that the Prime Minister was asking PLP supporters to register, just as the FNM has been doing.

"It was a partisan pitch," he said. He said that the Boundaries Commission has not met yet to determine what changes, if any, will be made.

Mr McWeeney also claimed that St Agnes MP Kendal Nottage never implied that Opposition leader Kendal Isaacs benefitted to the tune of $100,000 in the Islander Hotel "deal." The Commission of Inquiry found that Mr Nottage fronted for Michael Caruana, a New England organized crime figure/drug trafficker, in a joint venture in Freeport's Islander Hotel. Mr Nottage's involvement with Caruana became public during 1984 - about four years after the Islander court case.

Asked if the party accepted the Commission of Inquiry report, in light of the fact that he feels Mr Nottage is in good standing in the PLP, he said the party has accepted the report as "being a finding of the Commission" and that there was a "qualified acceptance."

He said it depends to whom the report refers and about what, but that the report is not infallible.

The three Commissioners who arrived at the conclusions were selected personally by Mr Nottage's good friend - the Prime Minister.

He said that the PLP has not yet conducted an inquiry into the report's finding on Mr Nottage and he remains in good standing. Asked when an investigation would be conducted, he replied "at the appropriate time." The report was released in December, 1984.

Mr McWeeney said that Mr Ingraham was being "very mischievous" when he made the Adderley remark.

He said he referred to Mr Adderley as one of a number of PLPs who left the PLP to illustrate that dissidents have a history of being crushed politically and that his reference was made purely in the historical context.

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CSO: 3298/389

BAHAMAS

PINDLING: NO CHANGE PLANNED IN BANKING PRIVACY LAWS

Nassau THE TRIBUNE in English 13 Mar 86 pp 1, 4

[Article by Alexis Wallace]

[Text]

PRIME Minister Pindling told the seventh annual Bahamas International Financial Conference this morning that Government does not intend to change its existing tax structure or alter its banking privacy laws to satisfy the US statutory requirements under the Caribbean Economic Recovery Act 1983.

Sir Lynden, who is also Minister of Finance, said that while the government will continue to explore ways to discourage and prevent criminal elements from succesfully making use of its financial institutions, it finds that the object and scope of the exchange of information is an incompatible point from which negotations might be started.

He said the stipulation for over-riding bank privacy laws and subjecting third country nationals to the requirements of the agreement are most objectionable as compliance in this area would remove utterly the rationale and appeal of the Bahamas as a financial centre to non-United States residents and nationals.

He said: "We continue to rely on the banking community here to make sure that we are aware of the adequacy and competitiveness of our arrangements. The system must at all times be responsive to the stimuli for change.

"In addition to the newer developments, some of the old issues are still with us, eg, our efforts continue unabated to preserve the requisite privacy of banking business by striking the appropiate balance between banking confidentiality and legitimate efforts to prevent its use for criminal purposes."

"As I have emphasized to you on previous occasions the Bahamas was always agreeable to co-operate with other governments to consider ways of curbing criminal activities through the use of the Bahamian financial system.

"In this connection therefore, I am able to report that representatives of the Bahamas Government and the government of the United States have completed negotiations and have agreed in principal on the the provisions for a Mutual Legal Assistance Treaty in criminal matters which we expect both governments to agree to and conclude this year," the Prime Minister said.

"When I came before you in February 1984, I had reason to believe that the Treasury Department of the United States may have been showing some flexibility in the type of approach it thought it needed in addressing the challenge of tax haven abuse.

"This hope sprung from comments in a Treasury Department report entitled 'Tax Haven In The Caribbean Basin.' Since that time my old doubts have returned because on 24th July, 1984, the Treasury Department released a discussion draft of an Exchange of Information Agreement which stipulates that: "The contracting states shall assist each other to assure the accurate assessment and collection of taxes, to prevent fiscal fraud and evasion and to develop improved information sources for tax matters."

He said that, additionally, the draft agreement requires that its provisions over-ride disclosure and confidentiality laws of the contracting parties and apply to information relevant to tax matters of the United States or the contracting state whether or not the persons involved are nationals or residents of the countries party to the agreement."

The Prime Minister said he took this "opportunity to emphasize once again that the Government of the Bahamas has consistently maintained that it does not intend to change its existing tax structure or alter its bank privacy laws which it would have to do to satisfy the United States statutory requirements under the Caribbean Basin Economic Recovery Act 1983.

"The government of the Bahamas holds the view that while it will continue to explore ways to discourage and prevent criminal elements from successfully making use of its financial institutions, it finds that the object and scope of the exchange of information agreement is an incompatible point from which negotiations might be started."

He continued: "The stipulation for over-riding bank privacy laws and subjecting third country nationals to the requirements of the agreement are most objectionable as compliance in this area would remove utterly and completely the rationale and appeal of the Bahamas as a financial centre to non-United States residents and nationals."

Negotiations by the American government to have the Bahamas government and banks turn over information on certain deposits in connection with grand jury investigations was sparked by a June 13, 1983, US Supreme Court decision to let stand a lower Federal Courts ruling that challenged secrecy laws governing bank deposits in the Bahamas.

The three-day financial conference, which was opened this morning by the Rt Hon Lord Chalfont, director, Lazard Brothers & Company Ltd, is being held at Britannia Towers. It is spnsored by the Association of International Banks and Trust Companies in the Bahamas (AIBT) and the Central Bank of the Bahamas.

Among today's speakers was the Rt Hon Lord Pritchard, chairman of Rothmans International Advisory Board, who spoke on "Some thoughts on the Bahamas as an Offshore Banking Centre."

/9317
CSO: 3298/389

BAHAMAS

BRIEFS

ACTION GROUP ELECTIONS--George Wilson has been re-elected unopposed as chairman of the FNM Action Group. During a special meeting last Thursday, the Action Group passed Resolutions to hold elections and to intensify its political activities in over-the-hill Nassau and the Family Islands. It was also agreed to expand the executive. The following are the election results: George Wilson, chairman; Jim Wood and Derek Simms, vice-chairmen; Fred Ramsey secretary-general (nominated by former secretary-general Oswald Marshall); Joan Roberts, Calvin Spence, assistant secretary generals; Anthony "Boozy" Rolly, treasurer; David Bullard and Gus Cartwright, assistant treasurers; Rudy Edwards, chaplain; Angela Dean, recording secretary, and Kenneth Wood, Gregory Wood, Judy Fernander, Richard Smith, Rodney Braynen, executive members. [Text] [Nassau THE TRIBUNE in English 18 Mar 86 p 1] /9317

RIGHTS GROUP SPLIT--Freedom and Justice Action Now Committee has discontinued its association with Bahamian Coalition for Human Rights, sponsors of last night's march, because it claimed the FNM "politicised" the event. The group was formed in mid-1985 on the apartheid issue. "It is distasteful to us that the FNM tried in the most deceitful, but yet unsuccessful attempt to make this historic attempt just another political forum. Such action we feel are those of prostitutes. It is quite clear to us that they have failed to act in good faith and due to their politicising of the event it is difficult for us to have any further association with this coalition, Bahamas Coalition for Human Rights," group leaders Dion Hanna, a lawyer, and Milford Lockhart, Vanguard party supporter, said in a Press release. The group said it feels it must continue its struggles and that all efforts must be made to free and unite the Haitian families who were arrested in Bimini February 20. [Excerpt] [Nassau THE TRIBUNE in English 12 Mar 86 p 1] /9317

CSO: 3298/389

BRAZIL

CUBA READIES ENVOY'S NOMINATION; ADVANTAGES IN RELATIONS

Brasilia CORREIO BRAZILIENSE in Portuguese 16 Mar 86 p 18

[Article by Yolanda Vianna: "Cuba Already Has Appointee for its Embassy in Brazil"]

[Text] The Cubans are interested in renewing diplomatic relations with Brazil but have given assurances that they will not exert any kind of pressure to speed that process up. In the meantime, they have already picked the future ambassador who is to serve in Brasilia and the designee has been practically definite ever since the flirtation in diplomatic relations began. Because of the degree of importance which Brazil represents as far as Havana is concerned, he will be one of the five deputy foreign ministers and, according to the law of probability, Brazilians will be able to receive Raul Roa Kouri who, in 1962, was appointed by his father, the then Foreign Minister Raul Roa Garcia, to be ambassador to Brazil, where he remained until the rupture of relations between both countries. In any case, the ambassador will be a young man with vast knowledge about Brazil. Meanwhile, Cuban diplomats are openly traveling throughout Brazilian territory for the purpose of initiating contacts with the regions and their state governments.

All preparations show that, the moment the renewal of diplomatic relations has been approved by President Jose Sarney, the embassy will immediately be set up, along with a consulate in Rio de Janeiro. In the beginning, only few Cuban diplomats will be accredited here but it is said that they will not be idle and, to make up for the time of separation, they will work intensively toward the signing of agreements, both in the cultural and sports area as well as in trade.

For the Cuban diplomats, who have been in Brazil since 10 March, Brazil and Cuba have many commercial and technological advantages. Cuba is very much interested in Brazilian technology in the sugar industry sector, which is the first-ranking source of foreign exchange for the Cubans. Alcohol technology can also be used widely by Cuba, in addition to data processing, especially Brazilian microprocessors which have aroused Cuba's attention.

Brazilian experiences in the area of alternate energy sources can also be used rather well by Cuba through certain adaptations since both countries have the same climatic characteristics. According to Cuban diplomatic sources, the technology required in the use of trash as an energy source, which was tested in Rio de Janeiro, is getting wide dissemination. They are also familiar with the European test techniques but they know that these methods would not work in Cuba because of the weather conditions.

On the other hand, the Brazilians will be able to get Cuban knowhow in the health and sanitation sector. According to statistics, there are 15 cases of death for every 1,000 inhabitants in Cuba. In biotechnology and genetics, the Cubans can point to great advances, primarily as regards artificial cattle insemination. Cuban diplomats see great possibilities for joint ventures in construction, using Cuban highway and airport construction programs and Brazilian services in third countries.

They also stated that "As the work gets done, other ideas will spring up to benefit both sides." Trade between Brazil and Cuba will not be very big in quantitative terms, but car "turn out to be significant" in proportional terms in the opinion of Cuban diplomats. They believe that Brazilian products will find an open market since the Cubans, who until now have been investing their financial and human resources in social goals, such as health and education, are beginning to look toward personal consumption.

Today, fabrics, shoes, and electrical household appliances made in Brazil can be found in special shops for international tourists and diplomats. According to them, there is a trend for this situation to spread to the entire Cuban population. Cuba and Brazil have good prospects also in the area of culture and sports. While Cuban athletes--in such sports as basketball and volleyball--are tapped by Brazilian teams, literature and painting from Brazil will be given wide dissemination in Cuba. The Cubans are quite familiar with the art of Di Cavalcanti, Portinari, and Aleijadinho, among others, as well as Guimaraes Rosa, along with Drummond de Andrade, and Jorge Amado.

Cuban sports techniques will certainly be transferred to Brazil and, as we know, Cuban athletes have been outstanding in many international competitions. There is no need to make any comment on music. It suffices to say that Chico Buarque, Djavan, Elba Ramalho, and Roberto Carlos are well known to the Cubans whereas, on the other hand, Brazilian artists have begun to promote Cuban music in Brazil. Diplomatic sources however noted by way of caution that "one must not underestimate the artists because they have been the carriers of international exchange." Some contacts are being set up between Cuban diplomats and Brazilian musicians and singers for participation in festivals in Havana during the next several months.

Defense

Brazil, with its specific significance in Latin America, and Cuba, which is very much present among the nonaligned, will be able better to defend the interests of the Third World, both by improving their position in trade, by promoting higher prices for products turned out by all of them, such as, for example, coffee and sugar, in the opinion of Cuban diplomatic sources, as a clear message to the effect that this renewal of diplomatic relations will be worthwhile for Brazil and that Cuban products will not compete with Brazilian products.

Tourism is another point of mutual interest. While it is today normal to find Brazilian tourists savoring Tropicola--the revolutionary version of Coca-Cola--the number will be even greater after the renewal of diplomatic relations; Cuban sources have stated that "There will be a return for Brazil which will certainly receive many Cuban tourists." According to these sources, "the Cubans want to get to know Brazil due to ethnic and cultural roots and similarities."

"This renewal of diplomatic relations will come easily, even this year, and that depends on the political timing by the Brazilian government," according to the Cubans, who explained that "There are no arguments that would hinder renewal of diplomatic relations this year. They noted that "from the objective viewpoint, there are no problems that have to be resolved."

In denying that there is Cuban pressure to speed up this renewal of diplomatic relations, the diplomats recalled that "This will certainly greatly improve Brazil's image as a new democracy in the eyes of the Third World, after its turnabout in diplomatic relations with the government of Cuba." And the "momentary freeze in the process of studies leading to the renewal of diplomatic relations on the part of Brazil" does not worry the Cuban diplomats. They recalled that, in 1868, when there was still a monarchy in Brazil, the imperial government recognized Cuba's liberation army which was fighting for liberation from colonialism. This recognition of insurgency was recorded as an act of solidarity on the part of the Brazilian people toward the Cuban people. And the Cubans do not fail to introduce a lighter note, anticipating "among the various possibilities of exchange, marriages between Cubans and Brazilians since the majority of the population in Cuba is made up of men."

5058
CSO: 3342/87

PRIEST-SYMPATHIZERS OF SANDINISTAS ACTIVE IN MARANHAO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Mar 86 p 2

[Text] During a visit by President Jose Sarney to his State, Maranhao Governor Luis Rocha disclosed that his intelligence service detected the existence of "infiltrated fathers," who are sympathizers of the Sandinista regime, in the union movements of rural workers in the town of Grajau, a township located 350 kilometers from Sao Luis.

According to the governor, some missionaries connected with the CPT (Pastoral Land Commission), have been distributing medals bearing slogans that exalt the Sandinista regime of Nicaragua. During a sweep carried out between October and November of last year, employing about 100 heavily-armed Military Police, 20-gauge and 12-gauge shotguns were seized along with "hollow-point" cartridges which are exclusively used by the Armed Forces. The governor however noted that he did not have any concrete evidence that the priests were being trained in Nicaragua although he emphasized that he does have information from the rural agricultural communities, reporting that the missionaries have already been in Managua after passing through the border stations of Belem and Manaus.

According to the governor, the priests who sympathize with the Nicaraguan cause are Luis Pirota, Jean Zuffelato, and Claudio, all of whom are Italians and belong to the secular order, serving at the Grajau prelate's office. In October of last year, there were reports of the murder of 22 squatters in that town, although this was never confirmed. According to official data supplied by the CPT in Sao Luis, two farm workers were murdered during that period of time; they were Antonio Inacio and Antonio Ferreira Silva; the latter was the delegate of the town's farm worker union. But something unexpected did happen in October: A man considered a local gunman was beaten to death by the population of the district of Arame with clubs and scythes.

According to Sao Luis CPT advisor Joao Maria, many CPT militants sympathize with the cause of the Sandinistas and wear the propaganda T-shirts and buttons of the Nicaragua regime. But in his opinion this is not sufficient reason to confuse the work of the Church among the farm workers with a foreign government. He accuses ranch owners in the interior of Maranhao of spreading rumors about the "links" of the priests in the region where there is a conflict over land with subversive movements and is surprised that this news has even reached the United States government.

5058
CSO: 3342/87

UAE SEEKS PURCHASE OF 66 EE-11 URUTU ARMORED VEHICLES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 86 p 10

[Article by Roberto Godoy: "Emirates Buying Armored Vehicles from ENGESA"]

[Text] The government of the United Arab Emirates is negotiating with ENGESA, S.A. [Specialized Engineers, Inc.], of Sao Paulo, for the purchase of 66 EE-11 Urutu armored vehicles; these are amphibious vehicles which are equipped with the West's most advanced antitank missile, the American TOW. These vehicles can also be equipped with a 25-millimeter rapid-fire cannon in an advanced configuration that has already been developed by the enterprise. Commercial contacts between the Brazilian manufacturer and the Defense Ministry of the seven principalities were stepped up over the past 2 months when it became increasingly possible that the war between Iran and Iraq might spread.

The re-equipment program for the Joint Forces, made up of 43,000 fightingmen, has been estimated at approximately $4 billion over a period of 5 years. According to one of the officials of the agency that handles the contracting for the supply of weapons and systems, S. Obeid, who was at Engesa a few weeks ago, "business with Brazil can come to as much as $150 million." The formal sale of the 66 Urutu vehicles, by itself, would represent a figure of $50 million. Officially, the company admits only the existence of "routine contacts" with the authorities of the UAE.

This figure is impressive, even when judged by the standards of the national defense industry which run into the millions. For example, by way of comparison, at the start of the conflict in the Gulf, in 1983, Iraq signed a special supplementary contract with Engesa and Avibras Aeroespacia in an effort quickly to make up for losses of certain types of equipment, amounting to something like $300 million. In 1985, the total volume of orders received from the 35 countries with which the industry as a whole deals came to slightly more than $800 million.

The United Arab Emirates fear the negative effects of the probable spread of the struggle in the Middle East. Under strategic pressure, the government therefore decided to create a highly sophisticated defense system. At this time, it is awaiting the delivery of 38 supersonic French Mirage-2000 aircraft, the West's most modern in this class, plus 3 C-130 Hercules transport aircraft, 24 Hawk tactical fighters, 30 Mangusta attack helicopters, and a Swiss-made Skyguard completely computerized air surveillance system, provided with 35-millimeter AA guns and Hawk medium-range missiles for which 42 launchers and 343 missiles were procured. The ground forces will get 20 new light Scorpion tanks and the 66 Urutu, completing a modernization process that was planned already 3 years ago. In a similar manner, the Navy, which last year commissioned fast electronic missile boats, by the month of May hopes to get four multipurpose helicopters for ASW operations and reconnaissance.

Professional personnel is also being recruited on a large scale outside the boundaries of the seven emirates; at least 14,000 regular personnnel in the Army, the Navy, and the Air Force are permanently recruited foreign mercenaries, including some from South America.

Deadly Combination

Together with the TOW antitank missile launcher system, the EE-11 Urutu constitutes a deadly system that combines the flexibility of the armored vehicle made by Engesa with the lethal efficiency of the United States weapon. In this version, the Brazilian amphibian can carry ten combat-equipped men, plus a crew of two men, the driver and gunner; in the high-density configuration, it can carry as many 14 fightingmen. With a range of more than 750 kilometers, a speed of 110 kilometers per hour on land and 9 kilometers per hour on the water, it also employs laser telemetry and an infrared night vision unit. It has a 300-horsepower diesel-turbine engine with a four-speed automatic gear box. It has complete traction in its six wheels with bullet-proof tires and automatic protection against flamethrowers or ordinary fire. This 13-ton armored troop transport vehicle is one of Engesa's best-sellers; it can be used as a platform for various weapons, from machineguns all the way to heavy mortars. Forces of 31 nations use the Urutu which is being evaluated by the United States Defense Department as a fast-vehicle alternative intended for the special squadrons.

The TOW missile, which the commanders of the UAE want, is also a successful item put out by Hughes Aircraft, an American company, which in 1987 delivered the 490,000th unit. The TOW, the tube-launched optically-tracked wire-guided [missile],became a success based on a simplified technology. Guidance is provided by means of a cable and the "smart" warhead automatically tracks the target, permitting the gunner to direct the missile to the target by means of an optical sight. The entire assembly is rather light and the three glass fiber boxes, plus the electronic monitor weigh 79.4 kilograms. Only one operator is needed; all adjustments are completed at the moment the missile is put into the launch container where the terminals of the electrical and hydraulic connections are located. Hitting the target is simple; it suffices to keep the lines of the tracking grid centered on the target. The margin of error is less than one percent.

The TOW is 1.18 meters long, it has a caliber of 115 millimeters, and has a maximum weight of 19 kilograms. The warhead carries a 3.6-kilometer penetrating hollow charge. The ideal range is 2,000 meters, with a minimum range of 65 meters and a maximum range of 3.7 kilometers. The 25-millimeter gun, which may possibly be mounted in the turret of the Urutu, which the Arab Emirates want, can fire at a rate of 600 rounds per minute, aimed electronically. Equipped with bimetallic plates of a new design (the outside plate is much harder than the inside plate, making it possible to absorb the impact of projectiles), the Urutu can withstand direct hits by all automatic weapons, even with armor-piercing ammunition, and fragments of antitank grenades.

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CSO: 3342/87

CFP ASSESSES CENTER-SOUTH CROP LOSSES FROM DROUGHT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 86 p 34

[Text] The country lost 21 billion cruzeiros due to the drought that hit the Center-South region and caused a drop of 10.5 tons in the main products guaranteed by the government's policy, that is, cotton, rice, beans, soybeans, and corn. The estimates made by CFP (Production Financing Company) indicate that 44.02 million tons of grains of these products will be harvested, pointing to a loss of 14 percent when compared to the 51.2 million tons harvested last year.

According to statistics disclosed by CFP, the losses in the soybean harvest came to 3.6 million tons; in the corn harvest, they reached 5.4 million tons; beans, 600,000 tons, rice, 341,000 tons; and raw cotton, 583,000 tons. Considering the minimum prices currently in force, these figures point to a loss of approximately 21 billion cruzeiros, not considering what might be collected through the merchandise distribution tax and the resources involved in the transportation of those products.

The total output of the summer harvest estimated by CFP comes to 43.45 million tons which, in addition to those 5 products, also includes the peanut, castor-oil plant, and sorghum harvests. If we compare the 1984-1985 and 1985-1986 harvests regarding all of these products, then the loss comes to 16 percent.

Rice

According to estimates by Edison Pereira Lemos, chief of the CFP harvest estimate division, rice, compared to the preceding harvest, increased by 6 percent, particularly because the drought did not hit the main rice-growing regions. In Rio Grande do Sul, the chief producing state, the major portion of the total harvest yield comes from paddy rice. Although beans showed a loss of 45 percent during the first harvest (rainy season), they registered an increase of 18 percent during the second harvest (dry season), partly making up the loss which was kept down to 13 percent.

Corn

Compared to the 1984-1985 harvest, corn showed a drop of 16 percent; soybeans went down 29 percent; and raw cotton lost 33 percent. Lemos explained that the CFP will make another survey of the 1985-1986 harvest in April and should come up with a closer estimate of the productivity of each product. The variations that may occur by then in each product will be very small.

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CSO: 3342/87

BRAZIL

BRIEFS

OIL OPERATIONS CONTINUE UNABATED--PETROBRAS [Brazilian Petroleum Corporation] President Helio Beltrao said yesterday that there will be no government restrictions on the enterprise's petroleum prospecting and pumping program "because of the economy's vital arithmetic," since the cost of extracting each barrel in Brazil is not $15 or $20, as has been said, but rather $6 out at sea and $5 on land. According to the Petrobras president, the government should compare the importing of petroleum, as spent in the form of dollars, to this cost deriving from the extraction of Brazilian petroleum which, in American money, does not even come to $1. "We have to find out whether we are going to spend $17 or $18 per imported barrel or $6 for domestic petroleum, most of which is spent on transportation." Beltrao attributed the disagreements in the various interviews on this matter to the news to the effect that the government seeks to review the enterprise's investments in the petroleum producing area. "This is not the government's thinking," he emphasized, "because this price is something episodic and petroleum policy is not an immediate thing. It is made for a decade and, during the next decade, all analysts agree that there will be a return to higher price levels, assuming that this does not happen even before then." He said that, at the current production level of 600,000 barrels per day, the nation's petroleum reserves will be sufficient for 11 years of production or 7 years of consumption and they are about to increase significantly. This is why, if the prospecting effort were to be suspended, the country would pay a high price in the future because it is an absolute national necessity to know with certainty how much petroleum the country has in its subsoil. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 86 p 28] 5058

CSO: 3342/87

SEGUEL SAYS SITUATION 'FULLY RADICALIZED'

PY040256 Buenos Aires DYN in Spanish 2242 GMT 3 Apr 86

[Text] Buenos Aires, 3 Apr (DYN)--Chilean National Workers Command (CNT) Chairman Rodolfo Seguel today stated that the Chilean situation "has fully radicalized" and that it will be difficult for a transition from the government led by General Augusto Pinochet toward a democratic regime to take place peacefully.

Seguel was scheduled to arrive today in Argentina to participate in a trade union meeting in San Luis Province. However, in statements for a radio station in Santiago, he stated that the seriousness of the situation in his country prevented him from traveling.

"The country has started to radicalize. We cannot talk about elections for 1989 (as announced by Pinochet) or whether the dictator will resign, or about anything because no one knows what will happen after armed confrontations have already begun" between the people and the government, Seguel stated.

Seguel termed "regrettable, disastrous" the period Chile is experiencing. Seguel stated that "the radicalization of the situation creates great conflicts for us, the community leaders, because our intention is to provoke changes using peaceful means."

On the other hand, Seguel stated that "there is no dialogue. There is no political intention to solve the problems. The dictatorship has taken a very radical position."

In statements for the program "On the Way Back," of Radio Mitre, Seguel stated that, for example, that "yesterday, a pro-government person was killed in his own business. Earlier, acid was thrown in the face of some policemen. Opposition people also die in every march or day of protest."

The CNT chairman felt that "the situation will continue to radicalize. Confrontations with the Carabineros or with the pro-government civilians will continue and the government's hand will be harder."

Concerning the situation of the salaried workers, Seguel stated that the minimum wage is $20 [pay period not specified] while "the average family's expenses is in the order of $70." Seguel added that "the purchasing power has dropped enormously," stating that "while $1 costs 200 pesos, 1 kg of bread costs 80 pesos so you can imagine if it is possible for a worker to live on $20."

The Chilean union leader was expected today in the city of San Luis to participate in the Argentine-Chilean congress on labor safety and hygiene sponsored by the SAMTA [Trade Union of Mechanics and Related Automotive Transportation Workers]. In this congress, besides the specific matters on the agenda, the political and trade union situation of the two countries is to be debated.

/9604
CSO: 3348/503

AD OVERCOMES DIFFERENCES, PROMOTES JOINT ACTION

PY100220 Santiago Radio Chilena in Spanish 1700 GMT 9 Apr 86

[Text] The Democratic Alliance [AD] has drawn up a document of consensus giving due consideration to the requests put forward by the Socialist and the Radical Parties, and establishing the main courses of action to be followed by the opposition coalition. The AD has thus overcome the difficulties that arose within its executive council.

In a statement released this morning, AD President Armando Jaramillo reported on the results of the bilateral talks.

Jaramillo explained that the consensus is that all those who want a political transition toward democracy must engage in a broad mobilization. After praising the initiatives of women, students, and professionals, the AD leader outlined the coalition's political plan.

[Begin Jaramillo recording] The AD appreciates such initiatives. Now the AD wants to express its determination to strengthen and broaden the opposition accord that demands democracy now. Pursuant to this objective, the AD parties will make the National Accord for the full Transition to Democracy more efficient by turning it into a broad expression of understanding among Chileans. The AD parties will also try to reach an agreement to clearly tell the country the path that it will have to take in the future.

Those parties which have not made their choice for either democracy or dictatorship and which, consequently, do not believe that the National Accord should be made more efficient, should honestly state their position. [End recording]

The AD parties have also agreed to make an in-depth study of the guidelines for the transition period. In this regard, the parties want to promote an accord.

[Begin Jaramillo recording] The political and social sectors must agree on the guidelines National Accord for the Transition to Democracy. Thus, it is necessary to reach an agreement or a pact that should help us promote social justice. Therefore, we hereby express our willingness to discuss such a pact with all the interested parties.

In the area of political accord, the AD parties have given due consideration to the position of the Radical and the Socialist Parties. [End recording]

Jaramillo added that the AD has decided to promote a political program including joint action on the main social fronts.

[Begin Jaramillo recording] The AD parties have decided to promote a political program which, among other objectives, will foster joint action to end exile and the military intervention at the universities. [End recording]

After reiterating their willingness to promote joint action to give a peaceful political solution to the Chilean crisis, the AD parties stated that they consider themselves valid interlocutors in the struggle for democracy.

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CSO: 3348/503

CARABINEROS ARREST RELATIVES OF DEAD PRISONERS

PY092340 Santiago Radio Chilena in Spanish 1730 GMT 8 Apr 86

[Relay from Chuquicamata by reporter Miguel Garay]

[Text] Carabineros this morning arrested six relatives of 26 political prisoners executed in Calama in 1973. The relatives were trying to excavate in the Topater area looking for the bodies of their murdered relatives.

Yesterday, about 200 relatives and members of several social organizations started to excavate in the Topater area with the aid of a map drawn up by Calama Bishop Carlos Oviedo Cavada. The bishop had marked the location where the bodies of the 26 political prisoners, executed on 19 October 1973, are believed to be buried.

Excavation was to continue today, as little progress was made yesterday. However, when the group arrived this morning they were stopped by Carabineros who did not allow them to continue, accusing them of violating a law protecting national monuments. Carabineros prohibited further excavation in the area alleging that it is an archeological site.

The six people who were arrested are now at the disposal of the criminal court in Calama. Labor union leaders and lawyers are trying to obtain their release.

The Carabinero action has caused suspicion among the population since it is not known for sure whether the bodies of the 26 executed political prisoners are in the area. Many social organizations are expected to make declarations regarding this unexpected action on the part of the Carabineros.

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CSO: 3348/503

CHILE

UNIVERSITY STUDENTS PROTEST CAMPUS VIOLENCE

PY081655 Santiago Domestic Service in Spanish 2300 GMT 7 Apr 86

[Excerpts] Students of the Metropolitan University have denounced the presence of people who are promoting violence and political agitators in their midst. The Student Alliance of this university has published a declaration on the events that occurred there recently. The student organization requests that an investigation and assessment of those events be undertaken by the university authorities so that the university's image will not again be distorted.

The declaration says that since the academic year began, the Metropolitan University has witnessed a proviolence propaganda campaign intended to provoke agitation and political violence. All of this to be within the framework of civil disobedience and ingovernability at the university, the Student Alliance declaration says.

To that end, the declaration adds, walls have been painted and posters and pamphlets have been distributed with instructions for specific activities and explaining the motives. Verbal violence has been used, including immoral language.

A group of independent students from the Catholic University has called on fellow students to change their attitude of indifference, which only facilitiates the proviolence and political activities, toward those who want to create a climate of ingovernability.

The same group of students says that it does not agree with the lack of dynamism that characterized the past nor with the leadership of the current directorate of the FEUC [Catholic University Students Federation], which far from discharging its obligation to act as an authentic channel for the expression of the Catholic University students, has become the mouthpiece for the member's individual positions regarding the national situation.

This group of students also pointed out that, in order to return the FEUC to the university students, they need to actively support the contribution of independent students.

/9604
CSO: 3348/503

BRIEFS

HUMAN RIGHTS EDICT SCORED--The resolution imposing new restrictions on the freedom of assembly, which was released a few days after UN special observer Fernando Volio submitted his report on Chile to the United Nations, has been labeled by Chilean union leaders as a serious setback in the field of human rights. Manuel Bustos, president of the National Union Coordinating Board, believes that the edict released today intends to create greater conflict in the country. For his part, Rodolfo Seguel, president of the National Workers Command, has said that this represents the government's response to the United Nations. [Begin Seguel recording] This is a response to the United Nations. This is a response to Fernando Volio Jimenez' report in which he has stated that human rights or the people's liberties are not respected in our country. [End recording] Jorge Pave, president of the Chilean Teacher's Union Association, also voiced his opinion. [Begin Pave recording] It reveals the government's fear, specifically regarding our sector, in view of the clear and obvious unrest which is surfacing throughout the Chilean teachers sector. This unrest is becoming visible because the government has failed to respond, year after year, to the Chilean teacher's legitimate demands. [End recording] [Excerpts] [Santiago Radio Chilena in Spanish 2300 GMT 4 Apr 86] /9604

POLICE REPRESSES HOMELESS IN SANTIAGO--Hundreds of homeless people who were occupying empty lots on the outskirts of Santiago, Chile, were repressed by the police. Thirty people were wounded and 12 arrested. During their repressive actions, the regime's police used rubber bullets, pellets, water hoses, teargas, air surveillance, and armored personnel carriers. The resident's metropolitan coordinating board, organization that represents the low income neighborhoods of the city, said that the repressive action was against approximately 500 people who had set up their camp on land that is part of the university campus. Chile is currently experiencing a deficit of 700,000 homes. This situation is getting worse as is seen in the case of the 300 families who, since Sunday, set up their camp around the university grounds to demand a solution to their housing problem. [Text] [Havana International Service in Spanish 1600 GMT 7 Apr 86] /9604

TRUCK DRIVERS BLOCK HIGHWAY--Traffic on Highway No 5 at the intersection of the Rio Maipo Bridge was cut off today for 2 hours. Early this morning trucks blocked traffic going south and north. Carabineros went to the scene of the incident and reported that about 70 passenger buses and trucks were blocking traffic. Therefore, the drivers of the vehicles were arrested at the 14th Carabineros police station, but were later released. Police reported that traffic on Highway No 5 was back to normal as of 0900 am. After holding a meeting with the local military zone chief, Major General Osvaldo Hernandez, the president of the Metropolitian Truck Owners Confederation, Hector Moya, was interviewed by RSN [Santiago Domestic Service]. [Begin Moya recording] The main reason for this movement was to protest the fines that are issued by the Internal Revenue Department because of [irregularities] on the freight bills of the cargo we transport. This is a problem that has been going on for some time now. Unfortunately, these fines are against the truck driver. Since these fines are not submitted to the local court but to the Treasury Department, the treasury is sending inspectors to the drivers' homes and proceeding to embargo their property. [End recording] [Excerpts] [Santiago Domestic Service in Spanish 1700 GMT 7 Apr 86] /9604

BISHOP DENIES CHARGES--La Serena Archbishop, Msgr Bernardino Pinera, denied charges from France that the contributions of money made by French Catholics are used for political activities in Chile. [Begin Pinera recording] The money that Catholics from other countries send us, Chilean bishops, is invested in pastoral activities, for social assistance purposes, but not for political activities. [End recording] Msgr Pinera said that if political groups obtain financial support directly from abroad that is another story but that the bishops have nothing to do with it. [Excerpt] [Santiago Radio Chilena in Spanish 2300 GMT 1 Apr 86] /9604

STUDENT LEADERS ARRESTED--Santiago, 9 Apr (AFP)--More than 20 student leaders were arrested today in Santiago during a demonstration against General Augusto Pinochet's regime. According to organizers, the demonstration was repressed by the Carabineros forces. Hundreds of students from the Catholic University of Santiago congregated near Government House to demand the resignation of Education Minister Sergio Gaete and the lifting of the restrictions imposed on the academic centers. The police used tear gas and powerful water cannons to disperse the protesters on Liberador Bernardo O'Higgins Avenue, downtown. The Carabineros arrested all the leaders of the demonstration including Tomas Jocelyn Holt, president of the Federation of Catholic University Students [FEUC]. [Text] [Paris AFP in Spanish 2009 GMT 9 Apr 86] /9604

MATTHEI CONDEMNS 'DESTABILIZING CAMPAIGN'--Santiago, 8 Apr (AFP)--Chilean Air Force (FACH) Commander in Chief General Fernando Matthei today charged that there is a worldwide campaign to destabilize democracies everywhere. Matthei, a member of the government junta, said he included the Chilean Government among the democracies because, although it is not entirely democratic, it is absolutely determined to lead the country to a democratic system. The FACH Commander in Chief was interviewed after an agent of the militarized Carabineros police was kidnapped by four unidentified armed individuals this morning. No one has claimed responsibility for the attack. Matthei said that those who are promoting terrorism as a way to install democracy in Chile are not aware of what is happening in the world. Matthei added that neighboring countries are being hit by violence despite their democratic governments. Thus, these actions are not aimed at a military system. [Excerpt] [Paris AFP in Spanish 0157 GMT 9 Apr 86] /9604

WORLD BANK LOANS--The World Bank has granted two loans, for $66 million, to Chile. The credits will be earmarked for improving the sewage system and the water-supply service in Santiago and Valparaiso, which were damaged by an earthquake in March 1985. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 5 Apr 86] /9604

COPPER COMMISSION REORGANIZATION--The managing directors of the Copper Corporation [CODELCO], General Patricio Torres, and of the National Mining Enterprise [ENAMI], Major General Rigoberto Rubio Ramirez, retired, will be dismissed from these posts. This measure, which will be implemented within the next few days, is part of the reorganization of the Chilean Copper Commission and the new emphasis that the government wishes to grant to the enterprises linked to the mining sector. This announcement was made by a highly reliable Mining Ministry source, which noted that the changes began when Patricio Jarpa Nunez replaced General Ruben Schlinder as deputy executive manager of the Chilean Copper Commission. [Excerpt] [Santiago Radio Chilena in Spanish 2300 GMT 2 Apr 86] /9604

FRENCH AMBASSADOR ON DEMOCRATIZATION PROCESS--Paul Auguste German Depis, the French ambassador to Chile, has stressed that his country hopes that Chileans can achieve the democracy they desire. The diplomat made this statement at the end of a meeting with Lieutenant General Julio Canessa at the Diego Portales Building. The ambassador also stated that his meeting, with the member of the Government Junta, comes within the framework of a courtesy visit which, he said, is part of dialogue. Ambassador Depis stressed that diplomatic relations between the two countries are currently normal. Asked about the French Government's position regarding Chile's democratization process, the diplomat said: [Begin Depis recording--in Spanish] Yes, we are waiting and we express our best wishes, we pray, that the Chileans will be able to achieve the democracy that they desire. The building of their country by Chileans is a Chilean affair. [End recording] Finally, the ambassador was asked for his opinion on remarks by New Zealand legislator, who termed ridiculous France's position regarding the nuclear tests on the Mururoa Atoll. After rejecting the legislators remarks, Depis stated that flies do not enter a closed mouth. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 3 Apr 86] /9604

CSO: 3348/503

COLOMBIA

BRIEFS

MILITARY GUN SMUGGLING--Bucaramanga, Colombia, 3 Apr (DPA)--Two active duty Colombian military men belonging to the 5th Army Division were sentenced to a total of 154 months in prison for smuggling weapons for the exclusive use of the Armed Forces. Sentenced were Captain Guillermo Ramirez Suarez and Deputy First Sergeant Sebastian Cordoba Mosquera who will have to stay in the Model Jail of Bucaramanga for 154 months. The two military men were the only ones awaiting trial, as in mid-February an Army officer, two noncommissioned police officers, all retired, and a civilian, were sentenced for the same crime. [Text] [Hamburg DPA in Spanish 1931 GMT 3 Apr 86] /9604

1986 COAL SALES--CARBOCOL [Colombian Coal, Inc.] and INTERCOR, the two concerns that exploit the Cerrejon coal mine here in La Guajira, have stated that the drop in oil prices is not affecting the sales of Colombian coal and that, on the contrary, the international demand for future deliveries is already taken care of. Estimated sales for this year range between 5.5 and 6 million tons, which will represent gross revenues of approximately $2 billion because these future sales were contracted at prices that range between $36 and $39 per ton. Denmark, the United States, Ireland, Finland, Greece, and Spain are our largest buyers this year. [Summary] [Bogota Television Service in Spanish 1730 GMT 21 Mar 86] /9604

OIL REFINERY UNIT INAUGURATION--On 11 April, President Belisario Betancur will inaugurate a new combined distillation unit (CDU) at the Barrancabermeja industrial complex. The new unit will increase the country's refining capacity by 10,000 barrels per day. The new unit has a refining capacity of 24,000 barrels per day, replacing a 14,000 barrel perday unit. It cost $1.7 billion and was completed in 7 months. [Summary] [Bogota EL TIEMPO in Spanish 5 Apr 86 p 6-A] /9604

CSO: 3348/502

COSTA RICA

3,000 CENTRAL AMERICANS POLLED ON THREATS TO REGION

San Jose LA NACION in Spanish 2, 3 Mar 86

[2 Mar 86 p 8A]

[Text] Survey Method

The study was made by the Interdisciplinary Information Bureau on Development (CID) in Costa Rica, Honduras, El Salvador and Guatemala.

In the specific case of Costa Rica, 800 individuals were interviewed. They were divided geographically into two groups: the metropolitan complex and towns with 10,000 inhabitants or more, such as San Ramon, Liberia, Ciudad Quesada, San Isidro de El General, Torrialba, Limon and Siquirres.

In El Salvador as well, 800 individuals were selected. They were divided into two large areas, San Salvador and the neighboring urban areas, such as Mexicanos, Delgado and Ilopango, and towns with 10,000 inhabitants or more. However, because of the political situation existing in that country, some cities in the eastern part of the country, such as La Union and Morazan, originally included in the sampling, were replaced. Among the places visited were Atiquizaya, Santa Ana, Sonsonate, Nueva San Salvador, Cojutepeque, Ilobasco, and San Miguel.

The division in Honduras, where 900 persons were interviewed, was as follows: 300 interviews in Tegucigalpa, and the other 600 in San Pedro Sula and towns with 10,000 inhabitants or more. The towns where interviews were carried out included Choluteca, La Ceiba, Tela, Choloma, Santa Rosa de Copan, Juticalpa, El Progreso and Comayagua. Some localities in the southern part of Honduras were excluded.

In Guatemala, 800 individuals were interviewed. These interviews were carried out in the capital and in towns with 10,000 inhabitants or more. In addition, towns such as El Peten and Alta Verapaz were replaced. Among those selected were Antigua, Chinaltenango, Escuintla, Quezaltenango, Retalhuleu, Zacapa, Chiquimula and Juticapa.

Those conducting the interviews had completed secondary schooling, at a minimum, and had experience in conducting interviews of this nature.

Supervision was provided by means of various procedures immediately following the interviews, as well as personal and telephone interview repeats.

In the cities outside Costa Rica, the greater portion of the supervision followed the interviews immediately, involving repeat interviews to a lesser extent. The reason for this was the fear existing in other countries due to the prevailing repression, both from the right wing and the left, and in the case of Honduras, the army recruiting of young people. Despite the above, a minimum of 30 percent supervision was guaranteed.

The CID is an organization which is a part of the Gallup International Research Institutes (GIRI), and Dr Carlos Denton and Oida Maria Acuna were responsible for coordinating the surveys.

A public opinion poll taken in Honduras, El Salvador, Costa Rica and Guatemala by the Interdisciplinary Information Bureau on Development (CID) indicated that 73 percent of the Central American people regard Nicaragua as a threat.

Also, the nation dominated by the Sandinistas is regarded as the main cause of the tension felt on the isthmus. It is also believed that the other serious problems affecting the region are the foreign debt, drug smuggling and the drop in the prices of export products, as well as the situation created by the refugees.

Nicaragua poses a military threat to their countries, 92 percent of the Costa Ricans, 89 percent of the Hondurans, 63 percent of the Salvadorans, and 48 percent of the Guatemalans indicated.

It is also obvious that they regard Cuba in the same way. This opinion is shared by 25 percent of the Costa Ricans, 17 percent of the Hondurans, 42 percent of the Guatemalans and 33 percent of the Salvadorans.

It could be seen also that, although the percentages were smaller, the Soviet Union too is viewed as a danger to the nations on the isthmus.

Where the United States is concerned, those regarding it as a threat represented a smaller percentage. Only 4.5 percent of the people of Central America view it thus.

The poll showed that the majority of the Costa Ricans and Hondurans, and more than a third of the Guatemalans and Salvadorans, think that a military attack from another country, and more specifically, from Nicaragua, is probable.

This belief has increased over the years. In 1983, for example, 28 percent of the people in Guatemala regarded such a situation as probable, while by the second half of last year, when this poll was taken, the proportion had increased to 41 percent.

In Honduras in 1983, 50 percent expressed this view, while 2 years later, this figure had increased to 76 percent. In that earlier year, 30 percent of the people in Costa Rica regarded an attack as possible, while in 1985 this figure had increased to 62 percent.

Destabilization

While Nicaragua is viewed as the main agent of tension on the isthmus, it is also regarded as the source of the efforts to destabilize the governments in the region.

In Costa Rica, 70 percent of those interviewed expressed this view, as did 63 percent of those in Honduras and 52 percent of those in El Salvador. This view was expressed by 27 percent of those interviewed in Guatemala.

Second place as a destabilizing agent went to Cuba, and third to the Soviet Union.

It is notable that 16 percent of the Hondurans expressed the view that El Salvador might destabilize their government, although only 1 percent said that this might happen in El Salvador itself.

Although the figure was low, 6 percent of the Costa Ricans expressed the view that Mexico too might seek destabilization.

The countries seen as responsible for the situations of conflict experienced in the region were, in order, Cuba, Nicaragua and the Soviet Union.

They were viewed as the sponsors of the communist ideology, as well as the suppliers of weapons to the guerrilla forces and military training for the rebels.

The United States was also viewed as trying to impose an ideology, to support right-wing dictatorships and to transfer weapons.

The negative perception of Cuba is strongest in Guatemala, where approximately 42 percent of those interviewed said that it is to blame for the situation of conflict on the isthmus. In Costa Rica, approximately 39 percent of those questioned expressed the view that the main blame lies with Nicaragua.

El Salvador

The Central Americans mentioned Cuba, the Soviet Union and Nicaragua as the sources providing arms to the rebels fighting in El Salvador.

In the specific case of this last-mentioned country, 70 percent of those interviewed said that the Sandinistas are providing the rebels with weapons, 67 percent expressed the view that it is Cuba and 38 percent said it is the Russians.

In Guatemala, 60 percent of the people believe that Cuba is doing this, while 55 percent of those in Honduras share this view, as do 53 percent of those in Costa Rica.

The belief of the majority is that without Cuban and Nicaraguan support, there would be no civil war in El Salvador.

This, for example, was the view expressed by 55 percent of the Costa Ricans, 76 percent of the Hondurans, 59 percent of the Guatemalans and 46 percent of the Salvadorans.

Now, 41 percent of the Costa Ricans expressed the view that there would be civil war in El Salvador without Cuba and Nicaragua, and this view was shared by 19 percent of the Hondurans, 35 percent of the Guatemalans and 37 percent of the Salvadorans.

[3 Mar 86 p 6A]

The majority of Central Americans approve of the aid the United States is providing to the rebels fighting against the Sandinist government.

This was revealed by a public opinion poll taken by the CID in the second half of last year in Honduras, El Salvador, Costa Rica and Guatemala. In all, 3,300 persons were interviewed. In each of these nations, 800 citizens were questioned, except in Honduras, where the sampling included 900 people.

Similarly, there is substantial support in all four nations for the presence of U.S. military advisors in Costa Rica to train our Civil Guard.

The majority of those interviewed also approved of the support provided by the government of the United States to that of El Salvador.

In Honduras, moreover, the question as to whether those interviewed supported the holding of joint military maneuvers by the U.S. Army and the army of that country was asked. Of those interviewed, 80 percent approved.

Aid to Contras

It is in Costa Rica that the most support for the aid the U.S. is providing to the Nicaraguan counterrevolutionaries was voiced.

In Costa Rica, 69 percent of those interviewed said this aid is important. This view was shared by 54 percent of the Guatemalans, 55 percent of the Hondurans and 52 percent of the Salvadorans.

On the other hand, 24 percent of the Costa Ricans opposed this collaboration, as did 25 percent of the Hondurans, 22 percent of the Guatemalans and 19 percent of the Salvadorans.

Military Advisors

The presence of the military advisors in Costa Rica, on the other hand, is also supported by the majority of Central Americans.

In connection with this aid, 86 percent of the 800 individuals interviewed in our country said that they favor it. This view was shared by 82 percent of the Hondurans, 65 percent of the Guatemalans and 55 percent of the Salvadorans.

Opposition to the advisors was voiced by 12 percent of the Costa Ricans, 11 percent of the Hondurans, 23 percent of the Guatemalans and 14 percent of the Salvadorans.

On this subject, 31 percent of the Salvadorans did not respond at all.

Support

Similarly, support by the people of Central America for U.S. aid to El Salvador was also evidenced. The increase in the amount of support over that expressed in a similar survey in 1983 was considerable, particularly in Costa Rica and Honduras.

In our country, 65 percent of those interviewed said they support the U.S. decision. Two years ago, only 39 percent voiced such support.

In Honduras, 72 percent of those interviewed said they support the collaboration of Ronald Reagan's government with that of Jose Napoleon Duarte. In 1983, only 41 percent supported this aid.

This view was shared by 61 percent of those interviewed in Guatemala, and the support was even greater in El Salvador, with 75 percent saying they support U.S. cooperation with their country.

Favorable Opinion

The results of the survey showed that in general, the perception of the United States in these four nations is favorable.

The support in Costa Rica was almost unanimous, since 95 percent of those interviewed indicated support of this nation, and only 3 percent expressed opposition.

In Honduras, 92 percent of the citizens support the United States, while 6 percent voiced a contrary opinion. In Guatemala, the favorable opinions totaled 86 percent, while those unfavorable came to 13 percent.

In El Salvador, 93 percent of the citizens support the United States, while 5 percent oppose it.

5157
CSO:3248/281

ECUADOR

BRIEFS

OIL EXPORT LEVELS MAINTAINED--Quito, April 2, REUTER--Ecuador has been able to maintain its crude export levels despite the price fall in the international market, the government said today. "The (price) crisis is worrying us but it can be handled," Information Minister Patricio Quevedo told journalists. Ecuador has been able to maintain its market share at a normal level of 121,000 barrels per day (BPD) for long term delivery and is negotiating further sales of 22,000 barrels, the Energy Ministry said in a statement. It added that the adoption of a flexible negotiating policy has made it unnecessary to sell oil on the spot market. Ecuador, a member of the Organisation of Petroleum Exporting Countries (OPEC), produces 300,000 BPD and is currently selling its crude at around $11 per barrel, as against an average of $26 in 1985, official sources said. Profit loss [as received] is officially estimated at between $60 to $65 million for every dollar fall in the international market. Ecuador depends on oil for 60 percent of its income. United Arab Emirates Oil Minister Mani' Ibn Sa'id al-'Utaybah warned this week that oil prices could fall as low as $5 if the OPEC cartel failed to agree on output cuts to mop up the glutted market. [Text] [Buenos Aires REUTER in English to REUTER London 2320 GMT 2 Apr 86 PA] /8918

CSO: 3300/74

GUATEMALA

DEFENSE MINISTER ON GUERRILLAS, PATROLS, LOCAL GOVERNMENT

Guatemala City EL GRAFICO in Spanish 19 Feb 86 p 3

[Text] Guatemala City, 19 Feb--The guerrillas are currently operating in three departments, National Defense Minister Gen Jaime Hernandez reported yesterday at his first press conference, which was held in his office.

General Hernandez said that the guerrillas (or the subversive terrorists, as the army calls them) are to be found in the department of El Peten, in the department of El Quiche (especially in the northern section, military zone No 22, Playa Grande) and in the department of San Marcos.

The defense minister said that in all of these departments the operational commands have the subversives under control.

First Month's Activities

The defense minister talked about the activities of the army and of the subversives during the 1st month and 4 days of the present administration. He said that the "enemy" had suffered six casualties, the army four (troops) and the civil self-defense patrols three during this period.

During this same period, the minister said, 110 refugees have been received in the department of El Quiche, while another 101 were headed for Huehuetenango and San Marcos from Mexico on the afternoon of the 14th of this month.

Three Months to Decide on Patrols

The defense minister also mentioned that President Vinicio Cerezo has set a 3-month deadline for deciding what to do with the civil self-defense patrols.

He stated that some people have advocated dissolving the patrols. The army, however, feels that they have been genuinely helpful in controlling subversion.

Nevertheless, he added, the president of the republic stated publicly that during his campaign he learned that several towns do not want the self-defense patrols, while a great many others do want them.

He went on to say that the president has set a 3-month deadline for consulting with the townspeople to gather the information that he needs to make a decision about the patrols.

Governors and Coordinators

The defense minister also talked about the possibility of the departmental governors taking over the institutional coordinating boards, which the military commanders of each zone are now in charge of.

He said that efforts are under way to give the departmental government staffs the tools they need to do the coordinating work, adding that whoever is elected governor must be capable of running an institutional coordinating board.

8743
CSO: 3248/296

REFUGEES RETURN, OCCUPY MODEL COMMUNITIES

Guatemala City PRENSA LIBRE in Spanish 1 Mar 86 p 14

[Text] Groups of refugees who were living in Mexico continue to return to Guatemalan communities. After receiving medical checkups to determine whether they are carrying any diseases, they are incorporated into the various model communities, the official spokesman of the Guatemalan Army, Capt Fernando Cifuentes, said yesterday.

The most recent group of Guatemalan refugees returning from Mexico comprised 101 persons. They were given shelter in military zone 19, headquartered in Huehuetenango, Captain Cifuentes reported. The same number of people had arrived in the El Quiche military zone just a few days before.

Preparations are currently under way to stock the Huehuetenango, El Quiche, San Marcos and other military zones with enough food and medicine to receive the apparent flood of Guatemalans who have begun to leave the refugee camps on the Mexican side of the border. The refugees have started returning because they have heard that the civilian government of President Cerezo has given every assurance that they can live and work in peace, inasmuch as the army has subversion, which is primarily to blame for the exodus, under control, Captain Cifuentes said in conclusion.

8743
CSO: 3248/296

HOYTE ADDRESSES FUEL SHORTAGE, CITES LINK TO EXPORTS

FL241526 Bridgetown CANA in English 1506 GMT 24 Mar 86

[Text] Georgetown, 24 Mar (CANA)--Guyana's President Desmond Hoyte says the present fuel shortage here is linked to the cessation of shipments of bulk rice to Trinidad and Tobago, which covered some of the cost of oil imports from Port-of-Spain.

In a weekend radio address, he said that under the arrangement Guyana has with Trinidad, the government here pays the difference between the value of local rice exports and Trinidadian oil imports in hard currency but that with the cessation of rice exports last December, the government now has to cover the full oil costs.

A major component of our present problem with fuel is the relatively sudden, temporary unavailability of the Trinidad and Tobago market for our rice exports, Hoyte said. Since we are exporting no rice to Trinidad and Tobago, we have to find hard currency at the same time that we have to make payments for petroleum products.

Very often, even though we need fuel supplies urgently, we cannot import them until we receive our sugar receipts and are in a position to pay.

He said discussions were continuing with Trinidad and Tobago with a view to remedying the situation, but in the meantime arrangements were in place to ensure the country had enough supplies for at least another month.

The fuel crisis, also linked to the country's severe foreign exchange shortage, has resulted in long lines at petrol stations and electricity rationing.

Hoyte said the government was pressing ahead with efforts to find new markets for local rice, and announced new export contracts with Holland. Shipments have already begun.

He also announced that contracts to export packaged rice to Jamaica had been concluded and that shipments had started. The re-entry into the Jamaican market is particularly hartening in view of the fact that for the past four years or so, that market was unavilable to us, Hoyte said.

With regard to the resumption of exports to Trinidad, he said negotiations had advanced significantly with the national milling company of Trinidad and Tobago for a new contract.

However, there are still unresolved areas and negotiations are continuing. It is of great importance for Guyanese to remember that we always exported rice to Trinidad and Tobago under special arrangements at a particularly remunerative price, Hoyte said.

/9274
CSO: 3298/391

GUYANA

BRIEFS

PNC ON JAGAN ACTIVITIES--Georgetown, March 27, Cana--The ruling People's National Congress (PNC) said today it deplored the what it called the frequent absence from Guyana so far this year of Opposition Leader Cheddi Jagan. The party expressed the hope that Dr Jagan, leader of the People's Progressive Party (PPP) will devote at least some of his time and energies to serving the people of Guyana. "If there is anyone who ought to feel like a stranger in his own country it is Dr Jagan," the PNC said. The year is barely 84 days old and the PPP General Secretary has been out of the country for more than half of this time--45 days to be exact. Such a record of jet-hopping would have been understandable for a man of leisure, but is totally unacceptable for one who holds a high constitutional office which carries important responsibilities," the PNC statement said. Jagan recently made an extended trip to Moscow, where he attended a Congress of the Soviet Communist Party, and missed the annual budget debate in Parliament. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14] /9274

CSO: 3298/391

HONDURAS

MONTOYA FAVORS CONTINUED U.S. MILITARY PRESENCE

San Pedro Sula LA PRENSA in Spanish 6 Feb 86 p 3

[First paragraph is LA PRENSA introduction]

[Text] Tegucigalpa--"We have the unconditional support of the United States and the Armed Forces for the normal development of the government headed by engineer Jose Azcona," said the president of Congress, Carlos Orbin Montoya.

Montoya revealed that the unconditional support for this government will enable it to work to benefit the national economy.

He added: "We are not opposed to private enterprise participating in this administration since social stability in the country is the responsibility of all Hondurans. Businessmen must be given considerations and special treatment, providing them the foreign currency needed for the proper development of productivity."

He said that investment guarantee laws will be implemented since the social problem is strictly economic. They must find solutions to the problems in the banana sector and other export sectors in the country.

In Montoya's opinion, the public sector would do everything possible, lowering interest rates and providing foreign currency, so that the private sector could provide more jobs.

Foreign currency will be guaranteed and smuggling, a serious problem for national businessmen and producers, will be fought.

Lopez Reyes Did Not Cause Crisis, Government Solid

Montoya said that General Walter Lopez Reyes' irrevocable resignation as commander in chief of the Armed Forces cannot cause an institutional crisis because we have a solid government emanating from the expressed will of the people.

He feels that the people and the Army are united now because the officers controlling the destiny of the military institution are people with firm convictions. They have offered their support to the current regime so no problems are expected.

He added: "Our only problem at this time is unemployment. If this is overcome, the Nicaraguans will find a government and people resolutely prepared to demand respect for sovereignty."

According to the president of Congress, the alliance with the United States must be based on dignified cooperation and respect for national sovereignty. He said that the presence of U.S. troops proves to the Honduran people that we are not alone facing Nicaragua. There is no known Marxist government that is not expansionist. He explained that totalitarian governments cannot be consolidated so they try to interfere in other countries. Honduras is one of the weakest nations due to its unemployment and illiteracy. However, its Armed Forces backed by the mutual pact guarantee that we will not be attacked.

Circumstances Not Right for War with Nicaragua

In Montoya's opinion, the circumstances are not right for a war with Nicaragua simply because "we solve the problems of the politicians and the military takes care of military problems."

He pointed out that the Nicaraguan Revolution is several years old but so far there has not been a conflict between nations. The United States supports those who oppose the Sandinists. These thousands of armed men plan to overthrow Sandinism unless that government proposes another revolutionary model.

He said that this is an internal problem, not an international problem. Otherwise, Central America might become a Vietnam. Who knows who would put out the fire because of the international consequences it would generate in the area?

7717
CSO: 3248/293

PEASANTS SEEK ARMED FORCES SUPPORT ON AGRARIAN REFORM

Needs Outlined

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 pp 8-9

[Passages enclosed in slantlines printed in boldface]

[Text] The Armed Forces heve strongly supported the peasants' demands to expedite the implementation of a comprehensive agrarian reform program, stated rural leaders. They cited a note sent to Col Efraim Lisandro Gonzalez, interim commander in chief of the Armed Forces, and his response to that note.

The National Union of Peasants (UNC) last 21 January explained to the Office of the Commander in Chief of the Armed Forces the points it thought should be taken into consideration by the present administration. A positive response was received, according to leaders of that organization.

Col Gonzalez mentioned, among other things, "the urgent need to carry out a comprehensive agrarian reform program in which all activities of state institutions converge to provide effective support for the programs designed for that purpose."

Here are the texts of the two notes:

Note from Peasants

As a result of our meeting of Monday, 18 November, we are submitting for your consideration our opinions of the agrarian reform process, and our position on the policies and strategies that should be adopted to ensure that agrarian reform beneficiaries will be able to improve their standards of living in the near future.

General Aspects:

--Pursuant to the provisions of Article 4 of the Agrarian Reform Act, the peasant as an individual is supposed to fulfill the functions of landowner, businessman and worker.

--Agrarian reform is an essential part of the overall strategy for national development.

--A key objective is the establishment of a system of land ownership that guarantees the peasant family a fair income for its maintenance and development, based on the cultivation of marketable products which arise out of the productivity of all means of production.

--The improvement of production and productivity among the beneficiaries of agrarian reform would contribute significantly to reducing unemployment, curbing migration from the countryside to the city, and finally infusing money into the national economy and generating foreign exchange through those agricultural, livestock or industrial holdings that produce exports.

Determining Factors

1. Adjudication of lands suitable for cultivation, with a high demand on the national and international markets.

2. The adjudication of lands should take into consideration which areas or regions have the most agronomic potential for those products which promise satisfactory yields to the peasant group as /"producer."/

3. It should be clearly stipulated that the peasant group as "producer" should receive all the profits generated by the product from the time it leaves the holding, estate or parcel, until it reaches the final consumer.

4. The above means viewing the farmer's efforts from a global perspective, from the adjudication of suitable land, accompanied by timely credit, efficient and specialized technical assistance, and the direct purchase of inputs and implements, to the point at which the product, whether in raw or processed form (agroindustry), is brought to the consumer through the farmer's own marketing channels.

5. The national markets for agricultural products should be supplied directly by the producing groups so that the consumer will be assured of quality products at reasonable prices. This would mean eliminating the middleman, the /"subject"/ which so far has benefited most from the system.

6. The peasant group as producer assumes all the risks involved in the cultivation and harvesting of the product. Nevertheless, the other participants in the system--a) the financier; b) the seller of fertilizers, seeds, insecticides, tools, machinery, pipes, etc.; c) the purchasing middleman ("coyote"); and d) the large agroindustrial purchasers of concentrates for animals or of other products--are those who receive the highest profits without running any risk. They invest capital only temporarily in a quick sales transaction, with a coercive advantage over the peasant producer group, which out of /necessity/ must accept such terms (prices).

7. According to the above criteria, the agrarian reform projects must be structured on the basis of the domestic and foreign markets, and their

development must allow for the vertical and horizontal integration of the economic activity in which the peasant group (rural agroindustries) is engaged. The availability of land, efficient technical assistance, timely credit and low yields, marketing and agroindustry must be taken into account.

8. Training must be planned in accordance with economic projects that have a guaranteed market and can ensure the development of administrative, technical and social skills in the group, and above all the effective participation of the peasant.

9. The adjudication of lands must follow an economic criterion with respect to the market, the type of crop, productivity, the number of hectares and the number of beneficiaries. Everything must be oriented toward production; in other words, the adjudication should take place first, and then payment for the deed should be a consequence of the feasibility of the group's economic project.

10. With regard to the size of the parcel to be adjudicated, the agrarian reform process should meet the needs of the group as a cooperative or settlement. That is, the concept of working the land collectively should be given priority, and at no time should the /"individualization"/ of the agrarian reform process be promoted. Rather, /"collectivization"/ as an economic and social unit should be encouraged, and the concept of a self-managed business should be implemented.

11. The concept of agroindustrialization with intermediate technologies should be a key element in the development process that takes place in the rural sector through agrarian reform. It should be oriented toward the production of basic goods through collective (producer) groups.

12. Training should be geared to increasing the productivity of all the producing group's means of production, and should be regionalized and specialized in accordance with the agronomic advantages of the particular crop.

The policies and strategies contained in the aforementioned determining factors should be considered by the Armed Forces pursuant to Article 272 of the Constitution of the Republic of Honduras. One essential element is assistance in defining and locating markets and establishing marketing channels that benefit the producer as a collective group. In addition, it should be possible for all the inputs for cooperatives, settlements or agrarian reform beneficiary groups to be channeled through agencies created by the peasant organizations themselves.

The peasant organizations should participate directly in defining policies, strategies, programs and projects with respect to agrarian reform. In this regard, the Peasant Federations that represent the country, and especially the UNC, should receive support in bolstering their organizational capacity and their membership.

It is recommended in particular that organizational methods be devised for the direct channeling of funds through the Peasant Federations, the only way to guarantee that the peasants will be the true beneficiaries of the programs and assistance in the agrarian reform process.

Only by strengthening the rural areas with small agroindustries and ensuring national and international markets for wintertime products or non-traditional crops can we generate employment and national security.

The Agrarian Reform Act is well conceived, and what is required is a revision of the procedures for its execution. Most importantly, the government must clearly define its policy on this matter.

At present, land is being recovered through the negligence of the executive branch and the other agencies in charge of agrarian reform, which have failed to lay down a policy that satisfies the demands of landless peasants.

Furthermore, the Armed Forces have the duty and the power to cooperate with programs in the fields of literacy, education, agriculture, natural resource conservation, highways, communications and agrarian reform. For this reason, we respectfully request the following of Your Excellency in your capacity as chief of the Armed Forces of Honduras, Brig Gen Walter Lopez Reyes:

1. That you cooperate with the president of the republic in his capacity as head of agrarian policy so that he, pursuant to Article 348 of the Constitution of the Republic, may define an agrarian reform program that involves the active participation of the legally recognized peasant, farmer and rancher organizations and that benefits the peasants in the reformed and non-reformed sectors. Thus, they would be provided with enough suitable land for farming, a rural housing program, efficient credit assistance, education aimed directly at the reformed sector, and a health program with sufficient medicine (because we cannot expect good production from sick and undernourished farmworkers, and businesses cannot be well managed by untrained people).

2. That when land is recovered, there be no violent evictions. First, an understanding must be reached among the authorities of the National Agrarian Institute (INA), the Armed Forces, and executives of the UNC, upon investigation of the lands to determine whether or not they are subject to appropriation under agrarian reform.

3. That the Armed Forces supervise the activities of the government institutions involved in agrarian reform for the purpose of giving us peasants the opportunity to choose and propose the ideal people to direct these institutions.

4. In cases of Obligatory Military Service, although we are willing to cooperate, we ask that before recruitment takes place an education and information program be launched to alleviate the fears and uncertainty of recruits.

5. That the Armed Forces coordinate their support for the activities of our agricultural enterprises in areas such as the transportation of our products

when we have to take them to market, and of inputs and other components, as long as the quantities are regular.

We ask that we be given cooperation and support in infrastructure projects for peasant settlements and housing projects.

Sincerely,

Felicito Avila Ordonez, General Central Organization of Workers (CGT) Secretary General

Marcial Reyes Caballero, UNC Secretary General

Victor Inocencio Peralta, Assistant Secretary General

Esteban Henriquez, Organization Secretary

Marco Tulio Cartagena, Finance Secretary

Armed Forces Respond

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 p 9

[Text] Upon analyzing the document which was received by this Office of the Commander in Chief on the 21st of this month, I would like to express to you my appreciation for the confidence you have in our Armed Forces, as evidenced by the fact that you have conveyed your concerns and hopes for finding a solution to the agrarian problems that affect our many rural compatriots.

Regarding the general points covered by your document, the Armed Forces completely agree with you that agrarian reform is an integral process and an instrument for the transformation of the country's agrarian structure. It can guarantee social justice in the rural sector and boost production and productivity in the agriculture and livestock sector, ensuring the effective participation of peasants on an equal footing with the other sectors of the population that are involved in the country's economic, social and political development.

The determining factors entailed in an effective agrarian reform process are outlined very clearly in your document, and you have made perfectly clear the vital role of the peasant as both businessman and producer. Hence the urgent need to carry out a comprehensive agrarian reform program in which all activities of state institutions converge to provide effective support for the programs designed for that purpose.

Technical assistance, training, credit and marketing form the foundation upon which modern agrarian reform programs are based, and I am certain that the new government, with the direct and significant participation of the peasants, despite limited available resources, will be able to handle and resolve many of the innumerable and complex problems that plague the farm sector.

Th Armed Forces, as an integral part of the nation, will also continue to support and contribute to the efforts that the peasants are making in different sectors of the country to incorporate rural dwellers into production. For this purpose, it is also very important for the close ties with the sectors involved in this process to remain, so that the strategies, policies, programs and projects that must be carried out in these areas can be designed.

Furthermore, the Armed Forces will lend all the necessary support, within the limits of our possibilities and faculties, to those government institutions and social sectors which request our aid for the purpose of ensuring the full well-being of the Honduran people.

Regarding the specific requests contained in the document, I will refer to them in the same order that you stated them.

1. The Armed Forces have always cooperated and will continue to cooperate with the president of the republic in all activities aimed at carrying out effective and comprehensive agrarian reform.

2. When people are evicted from lands that they are occupying illegally, the Armed Forces, through the Public Security Force, act at the request of the state agency. We never take the initiative ourselves, and we assume that the state agency has exhausted all legal remedies required by law before making such a request. In this regard, I believe it is very important to maintain constant communication with the agrarian authorities for the efficient processing of the requests for land that are submitted to the various regional offices. I am certain that all these inconveniences and mishaps can thus be avoided.

3. The Armed Forces agree with you that the suggestions you make to the executive regarding the selection and proposal of the ideal individuals to manage agrarian policy should be taken into consideration. The Law on the Formation of the National Agrarian Council requires this.

4. With reference to Obligatory Military Service, I am very pleased that you are willing to cooperate when it comes time to render this honorable service to the fatherland. Although it is true that certain irregularities have taken place in recruiting, it is also true that our youths are already much more aware of their responsibility to fulfill this patriotic duty. Your help in promoting this attitude would be very welcome, so that the young men will go voluntarily to the units to which they have been assigned.

5. I am sure that the coordination of the government institutions responsible for the agrarian sector and the peasant organizations will guarantee a positive solution for the problem of transporting products.

I reiterate to you that the doors of this office will always be open to all of you, and that we will be most willing to engage in a cordial dialogue between the Armed Forces and the peasants in search of the paths that will lead to the advancement of our beloved Honduras.

Sincerely,

Infantry Col DEM Efraim Lisandro Gonzales Munoz
Commander in Chief under Law EHO-0411

8926
CSO: 3248/290

1989 PRESIDENTIAL HOPEFULS IDENTIFIED

Parties Begin Race

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 12

[Text] Just a few days after Jose Azcona Hoyo's inauguration, a sordid struggle for the presidential nomination has already begun with an eye on the presidential elections of 1989. This applies to both the ruling party and the opposition National Party.

One of the current president's closest campaign advisers, Carlos Montoya, is known to have been launched as a presidential primary candidate in the city of Juticalpa, Olancho.

The unusual move just a few days after a new government has taken office has met with an outcry by strong Liberal sectors, as well as others, of course, who like Montoya have their own presidential aspirations.

One of the Azcona politicians who has publicly revealed his presidential aspirations, Jorge Maradiaga, has said that Montoya's candidacy represents a "betrayal" of President Jose Azcona Hoyo.

The regime of former President Roberto Suazo Cordova was harshly criticized by its opponents because he sepnt his entire 4-year term playing politics from the presidential mansion.

In those days, the presidential aspirations of his followers and collaborators began to emerge nearly 2 1/2 years after he took office.

Azcona Hoyo, in fact, was the first politician to sever his ties with the former chieftan of the Rodist movement, Roberto Suazo Cordova, to fight for his presidential candidacy against the leader's will.

The current president waged a battle for the presidency that lasted over 2 years. Now, 15 days after his inauguration, when he inherited a country facing tremendous economic and social problems, Carlos Orbin Montoya, president of the National Congress, has declared his own presidential candidacy.

A silent struggle for the presidential candidacy is becoming apparent on the political scene, and threatens to grow more heated in both the Liberal and National Parties. Meanwhile, Jose Azcona Hoyo has not even finished putting together his cabinet.

Well-informed political sources contend that the struggle within the Azcona camp now involves Montoya and Jorge Maradiaga, who is considered one of Azcona Hoyo's closest allies.

Within a few months, these "premature" presidential aspirants will surely be joined by others of the so-called Suazo Cordova movement. At present, they appear to be waiting expectantly to see who comes out on top in the Azcona camp.

The Nationalists are not to be outdone, and former presidential candidate Rafael Leonardo Callejas has already begun stumping throughout the country.

Callejas has been joined by the rector of the National Autonomous University of Honduras (UNAH), Oswaldo Ramos Soto, who has been appealing to various sectors for several months now, seeking support for his primary candidacy.

Former presidential candidate Fernando Lardizabal Guilbert has publicly announced that he is girding his loins to vie for the presidential nomination of the National Party.

So far Callejas has been waging a sordid campaign against Ramos Soto, claiming that Ramos Soto will split the National Party asunder if he publicly declares his candidacy. For the time being, he is campaigning quietly in the major towns of the country.

It has been announced officially that in the next few weeks electoral law reforms will be introduced in the National Congress, so that each of the political institutes will be able to elect its presidential candidate, appointees, deputies and municipal corporations in internal elections.

Jorge Bueso Arias, who ran for president on the Liberal ticket in 1970, commented on the presidential primary candidacies, saying that this is not the time "to think of individual ambitions." Rather, Hondurans should work to grapple with the country's economic and social ills.

"In my opinion, we need political tranquility to face the nation's problems, without thinking of the ambitions each of us has," stated the prominent politician.

Nationalist Deputy Mario Rivera Lopez stated that before any candidacies are announced, "the government should be allowed to take its first steps" in the administrative sphere.

Political observers believe that the premature announcement of candidacies will aggravate the internecine struggles in both the Liberal and National Parties, which are now sharing public administration duties.

These confrontations, they note, will logically be reflected in the progress of the Azcona Hoyo administration. Their impact will be felt in the President's Office, the National Congress, the Supreme Court of Justice, and the other ministries and decentralized state institutions whose responsibilities are shared by Azcona and Callejas followers under the pact reached by the two leaders.

It has been reported that National and Liberal deputies, anticipating the crisis that could be caused by this political struggle, are planning to submit a draft decree in Congress that would prohibit any candidacy announcements for at least 2 years.

This initiative is reportedly designed to prevent an all-out political battle among the candidates and internal political factions of the Liberal and National Parties in the next few months. Such carnage would seriously hamper the actions of the Azcona Hoyo administration.

Rivera Lopez stated that he does not agree with the announcements of presidential candidacies, because "we must work for the good of the country."

The politician also claimed that "we will not allow the National Party to be divided."

For now, we can only wait for the unraveling of the complex plot of Honduran politics, which had been expected to resolve itself with the departure of Roberto Suazo Cordova. When he left for La Paz, he had no idea his followers would already be producing the first fruits of unbridled ambition for attaining the presidential throne.

Archbishop Critical

Tegucigalpa LA TRIBUNA in Spanish 10 Feb 86 p 2

[Text] The archbishop of Tegucigalpa, Msgr Hector Enrique Santos, yesterday criticized the actions of "some political hacks" who are already working on succeeding President Jose Azcona before he has even finished installing his government.

Azcona took office just 14 days ago, on 27 January, and he has not yet appointed many of the people who will be working closely with him in governing the country, especially in the management and executive positions of most public enterprises.

Prominent leaders of the Liberal Party, however, are already vying to win their party's presidential nomination for the elections to choose the current leader's successor in November 1989.

The same thing is going on in the other traditional party in Honduran politics, the opposition (conservative) National Party. The most noteworthy candidate is the man who lost the 1985 presidential election, Rafael Leonardo Callejas.

Even the president of the National Congress, Carlos Montoya, has been mentioned as a presidential primary candidate for the elections that will take place 3 years from now.

Montoya's correligionist Jorge Maradiaga, who is vice-president of the National Congress, is waging his own campaign to get the jump on Montoya. The latter has told his followers to "wait for me to give the go-ahead" before nominating him.

Minister of Natural Resources Rodrigo Castillo and Minister of the Presidency Celeo Arias, who was already a presidential designate, are also striving for the same goal.

In the National Party, meanwhile, in addition to Callejas another former presidential candidate from last year's elections, businessman Fernando Lardizabal, is also seeking the presidential nomination. Another aspiring candidate is the rector of the National Autonomous University of Honduras (UNAH), Oswaldo Ramos Soto.

The three are crisscrossing the country, visiting the major population centers and reportedly marshaling their forces to gear up for the municipal elections of 1987.

This political effervescence has been severely criticized by various national sectors, who feel that "the dust has not yet settled after the vigorous presidential campaign of last year." During that battle, the political ambitions of some leaders, especially the Liberals, came close to destroying the democratic process in Honduras, which had begun in 1980 with the elections held to form the National Constituent Assembly.

In his homily yesterday, Msgr Santos labeled the premature presidential candidates "political hacks," expressing "the hope that they and those afflicted with chronic candidatitis will try to leave the Honduran people in peace."

The message from the archbishop of Tegucigalpa, delivered at the onset of Lent, "which should be a time of abstinence and reflection," also contained harsh criticism of those who have already expressed their presidential aspirations.

"Feeding the voracious flames of political ambition at a time when a new government has just been inaugurated (on 27 January) means continuing to torture the same people who during this past election campaign lost much of their civic and Christian virtue," asserted Msgr Santos. He blamed the problem on "a few political hacks."

The Honduran election campaign of 1985 was not characterized by the most elevated discussions of political platforms or proposed solutions for the country's principal problems. Rather, it was punctuated by personal insults hurled from one adversary to the other.

The archbishop of Tegucigalpa closed his homily by expressing the hope that Lent will serve to humble not only the common citizenry but also the politicians, so that they will mend their ways."

Effectiveness of Office 'Jeopardized'

San Pedro Sula TIEMPO in Spanish 2 Feb 86 p 6

[Text] The new government is not yet 2 weeks old, and already the campaign has been launched for the general elections of 1990, as if the only reason for Honduran politics to exist were the presidential succession.

Not only is the citizenry sick and tired of this electioneering, which began when the Liberal Party took office in 1982, but this practice is harmful to the public administration and the economy in general.

In previous commentaries, we discussed the constantly agitating system of the white envelope, which was developed during Dr Suazo Cordova's administration. It kept the bureaucracy in suspended animation throughout the 4-year term, rendering the administration chaotic and unworkable.

Now the current regime is in the process of affirming that same system, but it is aggravated by the premature candidates' need to maintain their own political clientele in order to promote their personal political ambitions.

This phenomenon (which absolutely corrupts Honduran politics, turning it into a vulgar circus whose sole aim is to put so-and-so in power) conspires against any effort or plan by Jose Azcona del Hoyo to form a coherent government dedicated to solving the most pressing national problems in a climate of national unity.

Indeed, it makes it impossible for Azcona to assume leadership of the country. That is what this country needs right now to ensure good government at a time when personality clashes and factionalism within his own party, and throughout the dual party system of Honduran politics, are diverting and diluting all the political and social energy that are so indispensable to achieving that goal.

To a great extent, the now famous National Unity Stipulation (PUN) has caused this plight. It was something that even President Azcona could not foresee, despite the many alarms that were sounded at the time.

This is so because, in the first place, that narrow stipulation was entered into for the exclusive purpose of giving Carlos Montoya the presidency of the National Congress, and therefore the launching pad for his candidacy and campaign activities within the red party.

In turn, the limitations and somewhat illegitimate character of the agreement enabled the candidate of the losing party, Rafael Leonardo Callejas, to seize an unwarranted amount of power. Now he is using that power--including money and sinecures--to spur a prolonged political campaign aimed at keeping his image in the public view and preventing the emergence of competition within the blue party.

In the Liberal Party, the Callejas followers' mobilization capacity, handed to them on a silver platter by the PUN, is whetting the political appetite of several party hacks in the Azcona camp, whose only merit is their very audacity and whose only turf is the territory opened up by the devaluation of Honduran politics. They have now been bitten by the bug of presidentitis, which is capable of addling the cleverest brains and mortally infecting any political organization.

The members of President Azcona's circle of power, that is, the "president's men," are all now presidential aspirants, planning their candidacies. Carlos Montoya, Rodrigo Castillo, Jorge Maradiaga, Celeo Arias, Orlando Gomez Cisneros, Arturo Rendon Pineda--in other words, a whole brood of new little parrot chicks.

Each one says his aspirations are legitimate, because it is a right guaranteed by our Constitution. But the fact is, there is no right to divert the conduct of government, political power and national energy toward such a selfish end, eliminating the possibility of solving the country's pressing problems for the good of our people.

There is no right to use the political parties in this way, or the civil service positions obtained through these parties. True political work, which should lead to a presidential nomination, should consist of loyal service to the administration and the people, and only then should it be rewarded with a candidacy.

Nor is there any right to deprive the president of the republic of his mandatory search for national leadership, without which he will be unable to motivate the nation and put together a government and program of national unity.

The proliferation of candidacies and the campaign to which the preliminary candidates have devoted themselves divides, paralyzes, corrupts and demoralizes not just the administration, but the country as a whole. Therefore, it is imperative that we put an end to it, if possible with legal measures that will rein in those politicians who have been stricken with presidentitis.

8926
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HONDURAS

FORMER SUAZO OFFICIALS NAMED DEPUTY MINISTERS

Tegucigalpa LA TRIBUNA in Spanish 1 Feb 86 p 7

[Text] President Jose Azcona yesterday swore in the new deputy ministers of finance and of economy for integration and foreign trade.

The deputy minister of finance and public credit for revenues is Carlos Xatruch, who served as director general of taxation in the Roberto Suazo Cordova administration.

Roberto Alvarado Downing was sworn in as deputy minister of economy for integration and foreign trade; he had served in the previous government as the head of the General Directorate of Foreign Trade.

Also taking the oath of office was the Civil Service director, Donaldo Esteban Valladares.

As he handed them their respective appointment resolutions, President Azcona told them that "you have been selected for these posts with the clear understanding that you will strive to perform the government's tasks with complete honesty, diligence and dedication."

8743
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AZCONA, CALLEJAS DISTRIBUTE KEY POSTS

Tegucigalpa LA TRIBUNA in Spanish 5 Feb 86 p 9

[Text] Government positions were distributed as follows:

--Central Bank: president, Pablo Rubio; vice president, Carlos Manuel Zeron (Nationalist).

--CONADI [National Corporation for Investment]: Rene Ardon Matute (Nationalist) who works at one of Rafael Leonardo Callejas' salt mines.

--CDI [Industrial Development Center]: Mauricio Velasco (Nationalist).

--BANMA [Autonomous Municipal Bank]: Orlando Funez or Dalmiro Caballero (Nationalists).

--Honduran Social Security Institute: a doctor named Moncada (Nationalist) will probably be named to head it.

--IHMA [Honduran Agricultural Marketing Institute]: Ramon Gallardo and Ricardo Arias, Celeo Arias' son (Liberals).

--INFOP [National Institute of Professional Training]: Carlos Lorenzana.

The Secretariat of State for Foreign Affairs and the Secretariat of State for Labor and Social Security are also headed by Nationalists and half the positions abroad are held by Nationalists.

These appointments stem from application of the PUN [Pact for National Unity] according to which the employees of the Supreme Court of Justice, half the courts, the Attorney General's Office, and half the employees of the National Congress come from the Nationalist Party.

The terms of the PUN signed by President Jose Azcona and Rafael Leonardo Callejas, the leader of MONARCA [Rafael Callejas National Recovery Movement], were carried out by this distribution of positions in the Executive Branch.

Cesar Tome Rapalo, a Nationalist, will represent the Supreme Court of Justice on the TNE [National Electoral Court]. This will place two Nationalists on that court and give them a majority over the Liberal Party.

Because of the mathematical distribution of government positions between Azcona's and Callejas' groups, political observers agree that Callejas has formed a coalition government with the Liberals. Therefore, he will have to share the responsibility for the administration with them.

7717
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FUSEP ANNOUNCES CHANGES IN KEY PERSONNEL

Public Relations Head Selected

San Pedro Sula TIEMPO in Spanish 1 Feb 86 p 11

[Text] Cpl Rodolfo Diaz Cantanero took over as head of the Public Relations Office of the Public Security Force (FUSEP) last Thursday afternoon.

He replaces Sgt Francisco Torres Garcia, who has been transferred to his former post in the Transit Office.

The authorities in FUSEP's region two made the decision apparently to streamline its operations.

Changes in Region Two

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 10

[Text] San Pedro Sula--Region Two of FUSEP, which is under the command of Lt Col Hector Santiago Chavarria, yesterday made a series of changes regarded as "routine" in the commands of the offices in seven municipalities in the department.

Thus, Staff Sgt Federico Banegas has replaced Teofilo Mendoza in the Rio Lindo assistant office. In Pena Blanca, Cortes, Technical Sgt Francisco Javier Pena has replaced Adelmo Portillo Pineda. In Rio Blanco, Ambrosio Rivera Reyes has replaced Technical Sgt Angel Ignacio Nufio.

In San Miguel, Cortes, 3rd Sgt Wilfredo Isaac Rosales has replaced Edil Fermin Aguilar. In Potrerillos, Israel Mejia has replaced Miguel Cerrato Ardon. In Villanueva, Eugenio Mejia Fuentes has replaced 2nd Sgt Pablo Lopez Pineda.

Pompilio Andino Hernandez has taken over for Crecencio Lemus at the Choloma assistant office. Jose Antonio Ramirez has replaced Marco Herminio Lainez in La Lima. At the post in the Rivera Hernandez settlement, 2nd Sgt Juan Alberto Ortiz has replaced Manuel Gamez Aguilar, and at the post in the Lopez Arellano settlement, Eulalio Miranda Bobadilla has replaced Oscar Alexis Perez Fajardo.

It was reported that all of the men being replaced are moving over to the First FUSEP Station in this city.

Further Changes

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 11

[Text] Santa Rosa de Copan--The General Command of FUSEP has appointed new officers in Region Three, which is headquartered in this city.

Lt Lazaro Alvarez Sanchez has been appointed squadron commander, and 2nd Lt Adrian Alvarado has been named director of transit.

Second Lts Silvio Edmundo Padilla and Luis Armando Cruz Mendoza have been named FUSEP platoon commanders.

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BRIEFS

UNC ON AGRARIAN REFORM--The UNC [National Union of Peasants] will pressure the current government to carry out a real agrarian reform and give land to some 150,000 peasant families. The assistant secretary general of the UNC, Victor Inocencio Peralta, stated that this organization will be more aggressive during President Jose Azcona's administration and will fight to protect the interests of the peasant. He noted: "We want an agrarian reform that helps all the peasant sectors in the country. There are many families that do not even have a tiny piece of land to cultivate while the landowners have large areas that are not used." The agrarian leader reminded President Azcona of the campaign promises he made to the peasant sector. "They are passively waiting for the president to fulfill them--if not all, at least the main ones." Finally, Peralta stated: "We voted for a man who offered us miracles. He must now make them reality because, otherwise, we will demand them in our own way." [Text] [Tegucigalpa LA TRIBUNA in Spanish 8 Feb 86 p 7] 7717

PNH GAINS TNE SEAT--Tegucigalpa--Yesterday afternoon Roberto Callejas took office as a member of the TNE [National Electoral Court] representing the PNH [National Party of Honduras]. Callejas replaces the current minister of labor, Adalberto Discua Rodriguez. He is the second person to join the TNE in the last 2 days. A Liberal, Pompilio Romero Martinez, joined on Monday. Later this week, the Nationalist representative of the Supreme Court of Justice, Cesar Tome, will join. This will give Callejism control of the TNE. Callejas stated yesterday: "I don't think the PNH has control of the court." He pointed out that the TNE is governed by general provisions already established by law. He also announced that the Central Committee will decide whether to dismiss employees of the TNE and the RNP [National Registry of Individuals] hired by the PNH after they have been evaluated. He said that people cannot be dismissed "because of gossip or because someone does not like them." He was apparently referring to a Callejist deputy, Efrain Reconco Murillo, who has been accused of dismissing several Nationalist employees of the RNP in recent days in order to hire his own friends and relatives. Callejas said: "We certainly did not come with the idea of controlling the TNE, but to achieve equity and justice." [Text] [San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 3] 7717

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MEXICO

STUDY RECOMMENDS MEASURES TO RESTORE STEEL INDUSTRY

Mexico City PROCESO in Spanish No 484, 10 Feb 86 pp 6-9

[Article by Enrique Maza]

[Text] The question seems rhetorical. But the fact that the federal government is posing this question to itself is symptomatic: "It is worth considering whether the national steel industry should limit its growth, or perhaps gradually be phased out, permitting steel imports at international prices."

The federal government, in analyzing this important sector of the economy, explains the question: "The present situation of the parastate steel industry, in terms of its financial structure, productivity, labor relations and competitiveness on domestic markets, is one of deterioration. This decline is a consequence of the actions taken by its administrators in the recent past, and of the financial, investment and pricing policies pursued during recent years."

In other words, the state of the national steel industry, especially the parastate sector, is abysmal. It is so bad that one must wonder whether it is worth the trouble of shutting it down.

Fernando Hiriart, director general of the Federal Electricity Company (CFE), was commissioned to conduct a study of the steel industry in August 1985. Hiriart had done a previous study on his own which had favorably impressed the economic cabinet and the president of the republic. Between August 1985 and early 1986, the head of the CFE worked with a group of experts who were assigned to him by the secretariats involved in the steel sector.

The CFE director submitted his analysis and recommendations to President Miguel de la Madrid on Thursday 9 January at 1300 hours at the official residence. He did so at a meeting that was attended by Secretaries Francisco Labastido Ochoa (Energy, Mining and Parastate Industry), Jesus Silva Herzog (Finance), Carlos Salinas de Gortari (Planning and Budget), and Francisco Rojas (Comptrollership) among others. The 22-page document was presented, and then there were questions, answers and opinions. Finally, it was unanimously decided to remove Miguel Alessio Robles as director general of Mexican Iron and Steel (SIDERMEX).

In fact, Alessio Robles resigned on 14 January. That same day, SIDERMEX announced that Guillermo Becker Arreola, director of National Diesel (DINA), would be the new director of SIDERMEX. Becker Arreola is a 54-year-old economist, university professor and member of the National Economists Association who served as undersecretary of industry from 1974 to 1976. He has been in government service since 1952.

The Hiriart study is a comprehensive technical explanation justifying the increase in the price of steel (a 17 percent hike which took place on 4 February), advocating the removal of Alessio Robles and changes in the administration (which already has been done), and requesting that the state assume SIDERMEX's liabilities (paying off the steel debt) and renew investment. It remains to be seen whether the latter will occur. These measures are designed to boost productivity and production.

Fernando Hiriart begins his analysis by establishing one fact: "The steel industry holds a predominant position in the Mexican industrial structure; it employs nearly 70,000 people, of whom 70 percent work in the parastate steel sector." The integrated steel industry (which includes everything from extracting minerals to mining work to making the final product) "produces 85 percent of the steel in Mexico and reported total sales of 370 billion pesos in 1984 ($2.205 billion). The parastate sector accounted for approximately 60 percent of those sales."

There are five integrated steel industries in Mexico: Mexican Steel Mills, Inc. (AHMSA) and Monterrey Foundries (FMSA), both of which were private and are now parastate; the Lazaro Cardenas-Las Truchas Steel Complex (SICARTSA); HYLSA of the Aifa Group; and TAMSA, which belongs to Ernesto Fernandez Hurtado and was formerly owned by the Italian group comprised of Bruno Pagliai and Miguel Aleman Valdes.

AHMSA was started in the 1940s. The government had to intervene in it because of its debts. The same thing happened to FMSA, which belonged to the Prieto family and which began to ask for loans during the Echeverria administration.

The non-integrated steel industry begins with scrap metal and does not engage in any mining. It uses the scrap to make the final product, which consists exclusively of rounds and light structures. Some 40 companies make up this sector, and account for about 20 percent of the market.

SICARTSA, the parastate steel mill at Lazaro Cardenas-Las Truchas, was planned in four stages. It is only in the second stage now, consisting primarily of processing raw materials for capital goods such as machinery. SICARTSA I and II.

Steel is considered a source of foreign exchange earnings, and the market for it began to expand tremendously in the 1950s, after World War II. At that time the countries that had been involved in the war needed to reequip their factories, and demand in the Third World was beginning to grow. There was a great deal of technological innovation at that time.

In the 1970s industrial plants became oversaturated, and steel prices plummeted. The United States, the largest consumer, put off modernizing its plants, which drove up costs and eroded quality. It imposed import quotas, and the market became unstable.

The steel industry is characterized by what experts call "feedback," in that first the steel is produced, and then products are made to produce steel. This leads to the development of the industry's own technology. In Mexico, HYLSA reached this third stage, developing its own technology. It was then that SIDERMEX was created as a sort of holding company. It had two objectives: one, to cut the administrative staff to 1/3 of its size with the merging of AHMSA, FMSA and SICARTSA under one management; and two, to have the plants specialize in certain products to avoid the duplication of productive functions.

SIDERMEX left its objectives up in the air. Its organization had been planned in three stages, but they were interrupted with the change in presidential administrations. The creation of SIDERMEX was aimed at putting the three plants under one management and removing the plant directors. The goal is to trim the administrative and management bureaucracy.

Fernando Hiriart's study goes on to say: "Clearly the Mexican steel industry, particularly the parastate sector, has a significant impact on the national economy."

But "the present situation--that of the parastate sector--in terms of its financial structure, productivity, labor relations and competitiveness on domestic market, is one of deterioration." The causes: actions taken by the administrations in the recent past; and financial, investment and pricing policies pursued in recent years.

In addition, there is the steel market. In 1984 "practically all of apparent consumption--specific demand at a given moment--of steel in Mexico was covered, nearly 5.6 million tons." But this apparent consumption in 1984 was considerably less than that of 1979-82, when 8.8 million tons per year was consumed, with a shortfall of 2.5 million tons. "For the 1985-90 period, it is estimated," says the document, "that there will be major shortages of steel sheet and plate, amounting to $80 million to $200 million per year. If the growth rate of the economy increases, these shortages will rise to more than $3 billion over a 5-year period."

And then the question arises: Will the growth of the steel industry have to be limited, or will it have to be gradually phased out, with imports of steel products?

Before answering the question, the study by Fernando Hiriart posits certain considerations: 1. On the international market there are no official prices for steel products; they are variable and subject to negotiation. 2. The import price is not the lowest. 3. The gradual phasing out of the industry would mean greater shortages, amounting to $80 million to $300 million over the next 5 years. 4. The elimination of national steel production means importing all steel, more than $3 billion worth by 1990, when national steel consumption could reach 7.5 million tons per year. 5. Suspending production means laying off personnel, which would cost about 85 billion pesos. 6. In 1984, AHMSA, FMSA, SICARTSA and most of their subsidiaries had a total of 706.116 billion pesos in liabilities, which the state would have to cover if steel operations were suspended. 7. The suspension would mean that the liabilities involved in SICARTSA II would also have to be covered, amounting to an estimated $1.454 billion, plus the loss of the $766 million in capital already invested. 8. If operations are suspended, the facilities can be sold, but the salvage value of the equipment would be much less than its real value.

Given these considerations, the study reasons as follows: High domestic steel consumption, the high cost of imports, the uncertainty of international prices, changing markets, the immediate cost of shutting down operations, personnel layoffs, the absorption of liabilities--all this "leads to the conclusion that it is uneconomical to suspend national steel production. The decision to eliminate an industry as complex as steel is not feasible under the present circumstances."

The rhetorical question was apparently answered. But in the process, the situation that led the government to raise the question was also elucidated. If the industry is not to be shut down, then it must be brought back to health. The study then goes on to analyze the elements that should be taken into account: prices, financial situation, organization. The recommendations will be made on the basis of this analysis.

Prices: They have been under the control of the Secretariat of Commerce and Industrial Development (SECOFIN) since 1976, according to the document.

Between 1976 and 1980, they did not vary more than 20 percent a year. From 1981 through the first 6 months of 1984, prices rose at a rate of 80 to 100 percent a year. From the second half of 1984 to the present, the increase has been not more than 30 percent a year. "These increases have not been enough to make up for rising costs, the high degree of financial leveraging, and the losses occasioned by debts in foreign currencies."

"In addition to the effects of the exchange rate, national steel prices have changed erratically in relation to international prices. Sometimes they have been well below those prices, sometimes well above them, but never at the right time. "The response of the price control mechanisms has not been quick enough, sometimes leading to significant over-pricing with respect to the international market, and other times causing the decapitalization of the industry." In other words, SECOFIN has not worked.

The document lists the criteria used for setting prices: 1. Changes in production costs, but the adjustments must be made expeditiously. 2. A price that allows a positive cash flow. 3. International prices with a predetermined tariff that will permit international competitiveness. 4. A national price that would be referenced to the international prices and would change along with them, taking the parity of the peso into account. 5. Letting the market determine prices freely.

"Any of the aforementioned criteria can be used" to modify prices. But "the reaction must be quick to respond to changes in the exchange rate or in international prices." Otherwide, three things may happen: 1. National prices could become isolated from international ones, "as has happened so far," which leads to erratic variations. 2. Under the current tariff system, the national industry could be left defenseless. 3. Inadequate price controls would not encourage improvements in productivity.

The financial restructuring of the national steel industry will not be lasting if there is no appropriate price adjustment mechanism.

Financial Situation: "The steel companies, both state and private, face a financial crisis that is threatening their very survival. This crisis is characterized by disproportionate leveraging in relation to their ability to generate savings." On the one hand, official price controls are imposed on them; on the other hand, they are not given any budgetary support, but rather are forced to resort to credit, mostly in dollars. In other words, the government itself is decapitalizing them, because that way it earns a good interest rate and collects high taxes.

For example, HYLSA retains just 32 percent of its earnings as working capital; SIDERMEX retained only 11 percent in 1984, 6 percent in 1985. Both HYLSA and SIDERMEX must spend more than 50 percent of their sales earnings on interest payments. "This situation is a consequence of the tradition of financing the sector through indebtedness."

But the problem is even more serious if we take into account "the low productivity of the parastate sector, the unwieldiness and inaccessibility of its operations, and the relative shortage of raw materials."

The study points out potential solutions, which consist of "joint action in five areas": marketing, production levels, productivity, prices, and financial structure. "Given the magnitude of the problem and the narrow leeway, however, no single action can be considered a solution."

Efficiency in marketing, productivity, and higher levels of production will contribute to greater domestic savings. But "the solution requires above all the combined effect of higher prices and a less leveraged financial structure."

Prices must rise, says the report, by 70 percent for flat steel products and 55 percent for nonflat steel products. But the other problem remains: "It is impossible to service the debt through resources generated internally by the companies, even if productivity and prices do rise. If the policy of financing with credit is maintained, the prospects for the years to come are even gloomier." SIDERMEX alone will require an indebtedness of 225 billion pesos in 1986, twice the 1985 total.

"Therefore, it will be necessary to capitalize liabilities and leave the companies only with the debt they are capable of servicing, assuming a proper pricing policy." In other words, a good part of their debt must be paid off.

The document analyzes the companies one by one: HYLSA, AHMSA, SICARTSA, and FMSA. Its conclusion: disaster. HYLSA has stopped paying on the principal of its debt, pending the restructuring of that debt with the foreign banks. When it is restructured and payments must resume, the company will have no money to make the payments. AHMSA has financed itself with credit, and cannot generate enough resources to continue investing and paying its debt. SICARTSA had to face serious problems: repairing the blast furnace in 1985, a 32-day strike last August, problems in planning production and sales, and a deficit of 17 billion pesos in 1985. It needs capital to finance that deficit and to have funds to invest in raw materials. FMSA's facilities are in sad shape, its employees lack motivation, it has raw materials and infrastructure problems, it owes $380 million, productivity and production are low, human resources are seriously deficient, it has labor union problems, and it suffers from mismanagement. The flat steel division should be separated from FMSA and made independent. Its management and labor relations should be reorganized, and its business administration should be made autonomous. As for FMSA, "the decision as to whether to continue its operations or cease them must be made."

Therefore, investment must be revised. For the parastate sector, it should total $250 million per year. Between 1983 and 1985 62.5 billion pesos (some $240 million) was invested, which is less than a third of what should have been invested. To make matters worse, the investment was not balanced. "Investments that were needed for maintenance, attaining maximum efficiency and replacing obsolete equipment were not made. One dramatic example is the case of the flat steel plant, whose equipment is in an obvious state of disrepair and cannot operate reliably."

The expansion plan initiated in 1979 at AHMSA has been left up in the air. Only a minimal investment remains to be made, but it has not been done. It is recommended that this investment be carried out so that what has already been accomplished will not go to waste. FMSA has not made the necessary investments for maintenance and equipment replacement in 10 years. And it needs major investments. The flat steel plant should be a top priority, "given its importance on the market and its ability to operate autonomously."

SICARTSA requires investments for the replacement of equipment and maintenance, and especially in mines and concentration plants to avoid having to import raw materials. SIDERMEX plans to invest 56 billion pesos in 1986, but Planning and Budget has authorized only 20.36 billion. "The investments should be aimed primarily at the development of coal and iron mines, projects to increase efficiency and to install mobile equipment at AHMSA, the rehabilitation of the flat steel plant, and the development of SICARTSA mines."

Organization: SIDERMEX was formed by combining the three most important parastate steel companies and their subsidiaries. "SIDERMEX exists in name only . . . It has no legal control over the companies it manages." The management and operational efficiency of the parastate steel industry has deteriorated and worsened under Miguel Alessio Robles. He "tried to run the industry by issuing instructions rather than strengthening the organic units responsible for production, familiarizing himself with their problems, and ensuring coordination, above all in the supply of raw materials and in responding to the market."

Analysis: Modern organizational policy is to decentralize, and SIDERMEX centralizes. For example, it centralizes marketing, and isolates the plants from their markets. It also contributes to overall inefficiency, due to a variety of operational factors on the Mexican market. The study presents a long list of the specific products made by the plants and their peculiar connections with the market. It reaches this conclusion: "Specialization in the steel industry takes place naturally by mutual agreement among the producers themselves. Therefore, instead of devising an organizational structure that will regulate the specialization of each producer (which had been SIDERMEX's original idea) without the direct participation of the plants, communication among them should be strengthened to achieve this purpose."

Fernando Hiriart's document goes on to say that it is not a matter of abandoning coordination among the companies "in favor of absolute independence, especially because the parastate companies are part of the state, and the latter can take advantage of the situation to seek the best overall situation, minimizing costs and undertaking comprehensive planning."

SIDERMEX's operational difficulties are reflected in the fact that "it does not yet have a plan for its companies, and lacks a reliable and uniform information system. The presence of more than 80 subsidiaries with very diverse origins and objectives, which do not always contribute to the healthy operation of the group as a whole because of their interdependence and the inaccessibility of their operations, confirms the need to seek better organization."

The excessive indebtedness and the low prices contribute to the difficulty in measuring results, the principal criterion of business performance. "The main battle that the leaders of the sector must wage is obtaining subsidies, not producing results."

The restructuring should be based on straightening out the financial situation, which includes setting appropriate prices, assuming liabilities, and being willing to make the necessary investments, to strengthen the lines of production." Only then can the three steel companies be responsible for producing results.

The parastate steel sector "has approximately half the productivity level" of comparable steel plants in similar countries.

SICARTSA II has a difficult problem. "It has been partially suspended, even though it is past the point of no return, at a cost that is higher than the cost of going on, and with the added risks of breakdowns and obsolete equipment." As of July 1985 $1.56 billion dollars had been invested. The original cost was $2.573 billion. The delay has affected financial and administrative costs and has entailed penalties and costs for preservation and maintenance.

The cancellation of SICARTSA II would cost $1.454 billion. It would cost $2.135 billion to keep the present suspension going indefinitely. These costs cover the period between 1985 and 1992. It would cost $2.135 billion to resume it in 1987 and complete it in 1991. And it would cost $1.810 billion to resume it immediately.

The problem is that the direct reduction plant is 99 percent completed, and it cost $255 million. A complementary investment of just $40 million is needed to put it into commercial operation independently. It is running at 50 percent capacity. That entire project should be completed.

This is the picture painted by the Fernando Hiriart study. It goes on to make the necessary recommendations:

1. Provide for the operational autonomy of the AHMSA, FMSA and SICARTSA steel plants, and of their directors. Restore all their functions in the areas of marketing, operations, purchasing, labor relations and investment planning.

2. Limit the corporate functions (those of SIDERMEX) to the coordination of sectoral planning, financial management and dealings with the government.

3. Sell, merge, transfer or shut down the unnecessary subsidiaries.

4. In the case of FMSA, concentrate on the rehabilitation of the flat steel division (financial support and human resources), after a change in management.

5. Set reasonable prices and implement an efficient adjustment mechanism.

6. Resume SICARTSA II immediately.

7. Separate SICARTSA II from SIDERMEX. Give it autonomy and support.

8. Restructure the finances of the parastate sector, capitalizing a major portion of its debt.

9. Support and give attention to the development of human resources. And negotiate better terms for the company in its relations with its labor union sections.

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MEXICO

HIGH COSTS SAID TO MAKE CHICONTEPEC OIL UNEXPLOITABLE

Mexico City EXCELSIOR in Spanish 11 Mar 86 pp 1-A, 15-A, 32-A

[Part II of 2-part serialized article published in EXCELSIOR of 10, 11 March 1986; by Antonio Garza Morales]

[Excerpt] The estimate of 72 billion barrels for Mexico's hydrocarbon reserves is not realistic, and in the international context it is felt that the 17 billion barrels at Chicontepec, Veracruz, cannot be drilled in the long term due to the high operating costs. That includes the drilling of 16,000 wells and the destruction of tens of thousands of hectares in a farming and ranching area, if current operating systems are employed.

Dr Gustavo Rodriguez Elizarraras, an expert in North Sea drilling who used to direct the Latin American Energy Organization and served as an official of the Secretariat of the President's Office, pointed out that the oil in Chicontepec is heavy, "almost like rocks," and the wells may yield an average of less than 1,000 barrels per day.

He mentioned that in the so-called Chicontepec Canal, oil drilling will be costly because of the low yield of the wells.

He recalled that in the past, Texaco sealed 1,500 working wells in California because they were not cost-effective, and that petroleum was much lighter than that of Chicontepec, which is super-heavy.

Venezuela is facing a similar situation; it has large reserves of heavy petroleum in the Orinoco which are almost totally devoid of gas, as in the case of Chicontepec. They cannot be exploited until well into the next century, and even then only if the market circumstances allow it and there are no major discoveries in the so-called gigantic fields.

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7 PERCENT GROWTH IN ELECTRICAL DEMAND SEEN FOR 1986

Mexico City LA JORNADA in Spanish 11 Mar 86 p 13

[Article by Emilio Lomas M.]

[Text] The generation of electricity in the country went from a total of 79.5 billion KWH in 1984 to 85 billion in 1985, a growth of about 7.1 percent, according to information released by the Federal Electricity Commission (CFE). It explains that the number of customers covered by this service was expanded by 300,000, going from 12.5 million to 12.8 million. That represents an increase of 4.8 percent.

By December of last year, it indicates, 523 electricity generating units were in service at 170 power plants located "strategically" throughout the country. There were 201 units in 74 hydroelectric plants, and 94 in 28 conventional thermoelectric plants.

In addition, the generating units at the hydroelectric plants contributed 26.52 billion KWH; combined-cycle units supplied 4.554 billion KWH; and coal-fired units produced 3.518 billion KWH.

The CFE explains that geothermal power plants provided 1.641 billion KWH and turbogas units accounted for 844 million KWH. Although these sources are less significant, they illustrate the diversification of primary energy sources.

Electricity consumption in Mexico will grow at a rate of about 7 percent in 1986 in relation to last year. During the 12 months of the year approximately 91.5 billion KWH will be generated. At the end of 1985, the national electricity system had an installed capacity of 19.1987 billion KW, and in the first 4 months of this year more units began operating. They will boost the capacity figure by more than 1 million KW.

Among these new units, the Rio Escondido coal-fired plant in the state of Coahuila will account for 300,000 KW; in addition, 2 units producing a total of 220,000 KW have come on line at the Cerro Prieto geothermal plant; and 516,000 KW is coming from the steam and combined-cycle units.

According to the CFE, the sources of power to meet demand will vary depending on the rains, but it is estimated that hydroelectric generation will account for 30 to 35 percent of the total. The remaining 65 to 70 percent will be provided primarily by steam plants, and to a lesser extent coal-fired, combined-cycle and geothermal plants.

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BOUTERSE ADDRESSES U.S. DISPLEASURE OVER LIBYAN PRESENCE

Paramaribo DE WARE TIJD in Dutch 26 Feb 86 pp 1, 10

[Text] After 6 years of revolution, we will soon have 7 lean years behind us and we will be able to look ahead in the knowledge that we have 7 fat years ahead of us. This was the statement by government leader Desi Bouterse Monday evening in a speech to revolutionary cadre in the Lalla Rookh Center. In a speech lasting nearly 3 hours, he gave an overview of what has been achieved thus far and was critical of many things, from the lack of energy on the Supreme Council and within the government and the show-type atmosphere in the National Assembly, to the lack of unity among Surinamers, the lack of activity and mutual respect in the "25 February Movement" and the role of Suralco [Suriname Aluminum Company] as a multinational in the country.

The leader of the revolution said that one important result of the revolution is that many now know what to do and are taking action. The discussion phase must now come to an end and be converted into concrete and clear deeds.

Bouterse: We will have to act in unity and have confidence in each other and faith in each other's abilities.

Our problem is unity on the campaign front. We have no confidence in each other and no confidence in this country.

We still have a colonial mentality. We have been insufficiently taught to love this country and our brothers.

The government leader said that he often had to laugh at people in his vicinity who think that they can throw dust in his eyes (applause).

Bouterse: We do not have one bit of unity in this country.

We have to get to work on this.

He said that ministry fights with ministry, cadre member with cadre member. Everyone wants to take credit. He called on the cadre members to adopt a loyal attitude after today and to help correct one another.

After 6 years of revolution, we will soon have 7 lean years behind us and we will be able to look ahead in the knowledge that we have 7 fat years ahead of us.

There is no more time for talking, it is time to do things.

The government leader said that the level of participation must be expanded.

He pointed out that Suriname is much too dependent on international events and on shifts in matters over which we have little say but the consequences of which we must bear. In this way, we have gotten into the vicious circle of falling prices for natural resources and reduced export yield.

Non-Aligned

With respect to foreign policy, the leader of the revolution told his audience that Suriname continues to pursue an independent policy based on the principle of non-intervention and mutual respect and benefit.

Suriname supports the Contadora and Lima group.

He said that Suriname will not be flustered by negative campaigns in the international press about the presence of Libyans in Suriname.

The truth is that only four diplomats are employed at the Libyan embassy.

Then there are a few other Libyan Muslims in the country who are teaching within the Muslim communities. It is said that the Americans would rather not see the Libyans here. The Americans will then simply have to be dissatisfied.

Important lessons are to be learned from recent events in Haiti. The lesson for us is to guard against a situation in which the government is in power by the grace of a foreign power. Duvalier had to leave when a foreign power withdrew its support of him.

Supreme Council

According to the government leader, the Supreme Council is only now beginning to function. Only now does it see its historic role, and it has finally understood its political responsibility.

A tendency towards indecisiveness prevailed. Now the partners have reached the point where they have recognized that there must be action.

The Supreme Council has now set up the Deliberation Organ for Social Accord in order to look into wages, prices and the appropriation of profits.

The dialogue with political leaders is being continued, the government leader said. The partners are united and have submitted an Action Point Program. This document was discussed on 26 February. It primarily concerns the political administrative system.

Assembly Puppet Show

The commander said that he could not escape the impression that the National Assembly should approach matters more seriously.

Just like the old parliament, the National Assembly is putting on a show. The people have seen a puppet show enough in the past.

Bouterse: I hope that I am speaking on behalf of the community when I say that the Assembly has important things to do. The most important is the drawing up of a constitution.

Government Energy

The performance of the government is still insufficient on the whole, the government leader said. It is lacking in energy. It should not wait for the Supreme Council and should display more zest for work and dedication.

Too much is being unloaded on the Military Authorities.

The government leader noted that the Ministry of Transport, Trade and Industry is being talked about and that Minister Fong Poen is getting the blame for shortages. The entire government is equally responsible for policy. After 6 years of revolution, we have only 425 guilders less to spend on imports, whereby many importers are not coming into their own. If we do not cooperate and if we hoard, then there will be no solution. The commander said that when he comes home he occasionally sees that his wife has stockpiled 96 rolls of toilet paper or the same number of bottles of oil. Many others are doing this as well. We should not be looking for scapegoats and thus hang Fong Poen from the highest tree.

People's Army

According to the commander, the army has in the last 6 years guarded the revolution, our territorial inviolability and sovereignty as an advanced base.

The army has had serious problems, trained as it was by the colonial power. It was not taught to deal with the people, but rather to oppose the people.

The leader is solidly determined that the army is to be transformed into a people's army for the benefit of the community. The soldiers must know that they are being paid by the community and they must have respect for their fellow citizens.

Normal promotions in the army have been held up for 6 years.

The commander admitted that there have been high-flyers and excesses.

He said that the army will remain in the forefront as long as the population has not yet taken over.

He announced that as of 25 February, the military stars and stripes have been abolished. There will only be commanders of the revolution and subcommanders.

Various Matters

The commander mentioned the establishment of the National Institute for Human Rights, and expressed his hope that it will be able to do good work.

He said that the revolution has no problem with democracy, provided that the people are allowed to participate effectively.

Concerning the "25 February Movement," the leader of the revolution remarked that this movement should be structured in such a way that it can become a true revolutionary movement. The members must become more active and must have respect for one another.

The labor movement, he said, is experiencing a difficult time because of the poor economic situation. The labor movement must now show its strength and come together. It has the unique opportunity to involve workers in the process and has a new educational task in instilling in the workers a new mentality.

Bouterse said that he expected that the 3,000 workers at Suralco would have stood up for the 500 that Suralco wants to fire.

He also reproached the 500 workers for the fact that even though the union called on them to continue to report for work, no one reported after a few days.

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TRINIDAD AND TOBAGO

OPPOSITION LEADER PANDAY INTERVIEWED BY EXPRESS

Port-of-Spain SUNDAY EXPRESS in English 23 Mar 86 p 3

[Article by Harry Partap]

[Text]

THE OBJECTIVE in nominating OWTU leader George Weekes to the Senate was not for him to support the National Alliance for Reconstruction (NAR) but to ensure that legitimate views in the society were brought to bear on the decision-making process.

This was how opposition leader Basdeo Panday defended the appointment of Weekes to the Senate in an exclusive interview with the *SUNDAY EXPRESS*. Said he: "The whole object of appointing Mr Weekes is not to bring political support. It is not to get votes. The object of appointing Mr Weekes is that he represents a large section of the labour community and therefore that community must have a voice and a say in the decision-making process."

Said Panday, "whether this brings votes to the party or doesn't bring votes to the party is not relevant. The object is to let legitimate views be represented."

Panday said that Weekes represented the oil workers who produced 80 per cent of the revenue of the nation. Said he, "How can you have a decision-making process without those views being represented. It cannot be. So Mr Weekes' appointment is not to bring votes it is to unite the society; to mobilise your human resources. That is the objective."

Panday also gave a philosophical explanation to the appointment. He said, this was a "highly plural society and therefore the most the most urgent task facing us is mobilising the human resources."

He said the late Prime Minister Dr Eric Williams' "greatest error in his life was when he said, 'Those who are not with me are against me.'

"By doing that, he drew a line across the society and divided it. Who did not succumb to him and agree with him, he kept them outside the pale of decision-making and by so doing failed to mobilise the human resources. The human resources are your most valuable resources."

Panday added: "It is for this reason I believe that they (PNM) had $60 billion and they could not have provided even water, because even though they had that kind of financial resources they could not mobilise the human resources." Panday said that the "most urgent task facing us in a plural society as ours is the mobilisation of the human resources."

The Opposition Leader explained the role of the NAR in the political tapestry of the nation.

"The NAR, in my view," he said, "is an attempt to devise a politiical mechanism which unites all those threads in the society which brings it together into the decision-making process. The NAR must be a party in which the businessmen, the Hindus, the Muslims, the Christians, the Indians, the Africans, the Chinese and all people feel comfortable."

He added, "And the only way to make them feel comfortable is to let them know that they have a say in the decision-making process. And unless you do that you alienate them."

Said he, "This was the thinking behind the appointment of Mr Weekes. You have got to bring into the pale of decision-making people who represents legitimate views, whether you agree with those views or, indeed, whether you like such people or not.

"That is totally irrelevant. What is important is, if you are going to have national unity you cannot exclude legitimate points of view from the decision-making process."

Panday said that it was precisely for this reason that he suggested the appointment of Weekes to party leader ANR Robinson, and deputy political leader Karl Hudson-Phillips "who thought it was a good idea."

He added: "We will demonstrate to this country, now, not after the election, that we are prepared to build a new kind of party, different from the PNM —a party that permits legitimate views."

It is when these views, regardless of the conflict, impinge on one another that they will crystallise a concensus, that will be a national concensus, he added. Panday said that in this way people would support and work towards a goal because they were part of the decision-making process.

Panday said that Weekes would take a "totally independent" position in the Senate. This, he said, would not undermine the programmes and policies of the NAR. Said he, "This nation has to grow up. It cannot say that 'I will associate with people whom I like and who only agree with me.' It can't do that.

"Mr Weekes is not a member of the NAR. He doesn't represent the party. He is not expected to toe the party line. He will put forward a view that is legitimate and independent. He may vote against the party, if he wishes. It doesn't matter, because that is not the object of putting him there."

Panday said he had put behind him the events of August 1977. Said he, "I cannot undo yesterday. Yesterday is gone and yesterday is finished. If I look back I cannot walk forward and therefore I will keep stumbling and fall. I must reconcile myself with what happened yesterday and I must think of today and of the future.

"What happened in 1977 is behind me. There is need for national unity in the country and if at one time I tried and failed, I must not give up. I must simply pursue it and keep going on, and on because that is the right thing to do."

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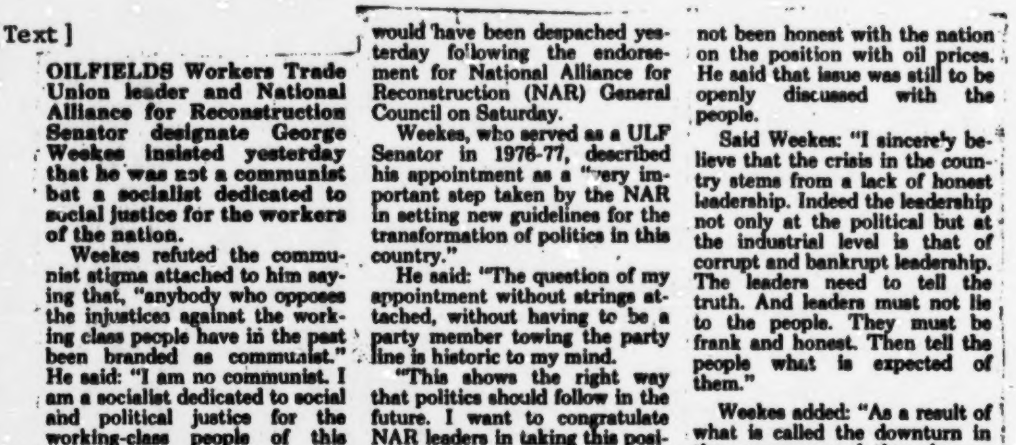
TRINIDAD AND TOBAGO

SENATOR-DESIGNATE WEEKES DENIES 'COMMUNIST' TAG

Port-of-Spain EXPRESS in English 25 Mar 86 p 40

[Article by Harry Partap]

[Text]



OILFIELDS Workers Trade Union leader and National Alliance for Reconstruction Senator designate George Weekes insisted yesterday that he was not a communist but a socialist dedicated to social justice for the workers of the nation.

Weekes refuted the communist stigma attached to him saying that, "anybody who opposes the injustices against the working class people have in the past been branded as communist." He said: "I am no communist. I am a socialist dedicated to social and political justice for the working-class people of this country."

Weekes spoke to the EXPRESS San Fernando Desk in an interview at his OWTU headquarters office yesterday. Earlier, Opposition Leader Basdeo Panday said that he was despatching a letter to President Ellis Clarke nominating Weekes to the Senate to replace the late labour spokesman Senator Nuevo Diaz. Panday said the letter would have been despached yesterday following the endorsement for National Alliance for Reconstruction (NAR) General Council on Saturday.

Weekes, who served as a ULF Senator in 1976-77, described his appointment as a "very important step taken by the NAR in setting new guidelines for the transformation of politics in this country."

He said: "The question of my appointment without strings attached, without having to be a party member towing the party line is historic to my mind.

"This shows the right way that politics should follow in the future. I want to congratulate NAR leaders in taking this position," he said.

Weekes said the main issue facing the country was that of "honest and committed leadership."

He indicated that his main task in the Senate would be to convince the political directorate that it must be honest in dealing with the issues facing the nation.

He said the government had not been honest with the nation on the position with oil prices. He said that issue was still to be openly discussed with the people.

Said Weekes: "I sincerely believe that the crisis in the country stems from a lack of honest leadership. Indeed the leadership not only at the political but at the industrial level is that of corrupt and bankrupt leadership. The leaders need to tell the truth. And leaders must not lie to the people. They must be frank and honest. Then tell the people what is expected of them."

Weekes added: "As a result of what is called the downturn in the economy, and they, by example, must show that they are not pursuing the politics of their survival for their own self and their party, but the politics of advancing the political and social development of Trinidad and Tobago."

Weekes said he would make whatever contribution he could in the Senate to bring before the minds of the public the situation as it stood so as to force a change.

Weekes said he had seen before hand the statement made by the NAR announcing his nomination to the Senate. He said: "I had seen the statement. I had amended it. Our general council approved it."

Weekes said he did not feel any way different in serving on this occasion as he did during the last. "From the point of view of future politics in the country, I look at this appointment as a very important step taken by the NAR," he said.

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TRINIDAD AND TOBAGO

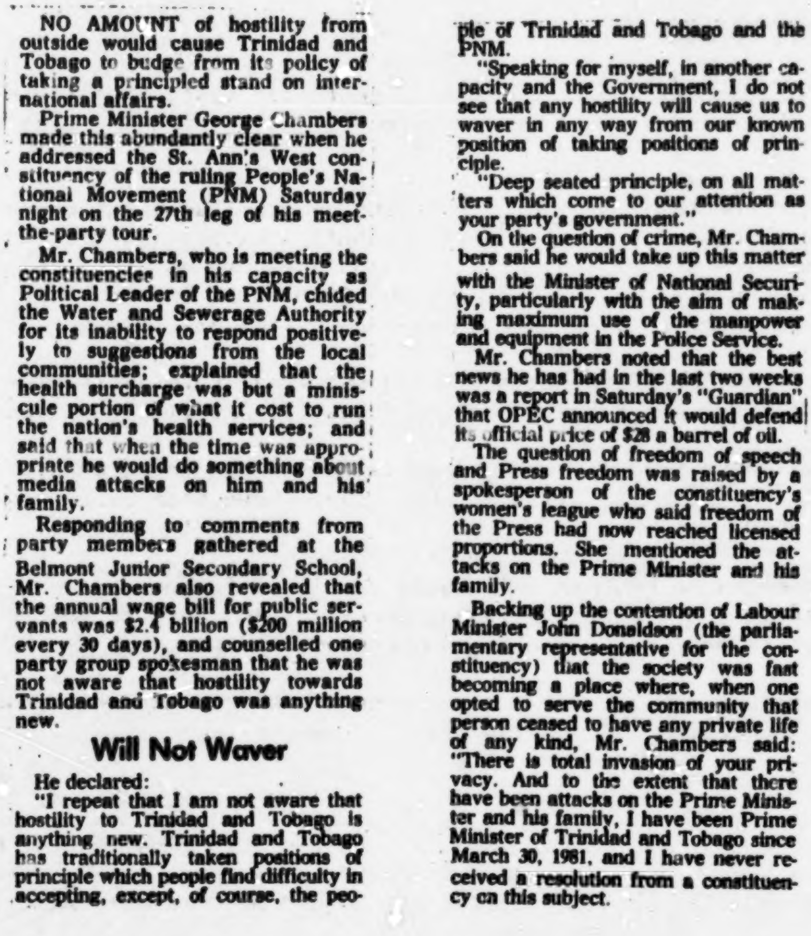
CHAMBERS AIRS VIEWS ON FOREIGN, ECONOMIC, MEDIA POLICIES

Assessment of Press

Port-of-Spain TRINIDAD GUARDIAN in English 24 Mar 86 p 1

[Article by Clevon Raphael]

[Text]



NO AMOUNT of hostility from outside would cause Trinidad and Tobago to budge from its policy of taking a principled stand on international affairs.

Prime Minister George Chambers made this abundantly clear when he addressed the St. Ann's West constituency of the ruling People's National Movement (PNM) Saturday night on the 27th leg of his meet-the-party tour.

Mr. Chambers, who is meeting the constituencies in his capacity as Political Leader of the PNM, chided the Water and Sewerage Authority for its inability to respond positively to suggestions from the local communities; explained that the health surcharge was but a miniscule portion of what it cost to run the nation's health services; and said that when the time was appropriate he would do something about media attacks on him and his family.

Responding to comments from party members gathered at the Belmont Junior Secondary School, Mr. Chambers also revealed that the annual wage bill for public servants was $2.4 billion ($200 million every 30 days), and counselled one party group spokesman that he was not aware that hostility towards Trinidad and Tobago was anything new.

Will Not Waver

He declared:

"I repeat that I am not aware that hostility to Trinidad and Tobago is anything new. Trinidad and Tobago has traditionally taken positions of principle which people find difficulty in accepting, except, of course, the people of Trinidad and Tobago and the PNM.

"Speaking for myself, in another capacity and the Government, I do not see that any hostility will cause us to waver in any way from our known position of taking positions of principle.

"Deep seated principle, on all matters which come to our attention as your party's government."

On the question of crime, Mr. Chambers said he would take up this matter with the Minister of National Security, particularly with the aim of making maximum use of the manpower and equipment in the Police Service.

Mr. Chambers noted that the best news he has had in the last two weeks was a report in Saturday's "Guardian" that OPEC announced it would defend its official price of $28 a barrel of oil.

The question of freedom of speech and Press freedom was raised by a spokesperson of the constituency's women's league who said freedom of the Press had now reached licensed proportions. She mentioned the attacks on the Prime Minister and his family.

Backing up the contention of Labour Minister John Donaldson (the parliamentary representative for the constituency) that the society was fast becoming a place where, when one opted to serve the community that person ceased to have any private life of any kind, Mr. Chambers said: "There is total invasion of your privacy. And to the extent that there have been attacks on the Prime Minister and his family, I have been Prime Minister of Trinidad and Tobago since March 30, 1981, and I have never received a resolution from a constituency on this subject.

"I have never received a resolution from a party group on this subject.

"One might be left to conclude that the party does not consider it a sufficiently important matter, one might be left to conclude that. I do not, however, so conclude.

"My predecessor and his family, more particularly his daughter, was attacked for 25 years, relentlessly. And I have said before I have only taken it for five years. (laughter). He took it for 25. Leave it so. (laughter).

Time Not Appropriate

"I do not see any need, for example, to take legal action, because some of the newspapers in Trinidad and Tobago are in no position to pay any sort of damages, (laughter) .. and this is not a laughing matter.

"I have not said that in the hope that you will smile or laugh.

"There are many newspapers in Trinidad and Tobago where shareholders pay only one dollar for a share.

"The equipment might be rented, the building that they are using might be rented, the machines might be rented. So even if you sue, what are you going to get for it? You may get nothing for it.

"But again, Madam Chairman of the Women's League, when you say that I must do something you have not been specific. And I consider it most inappropriate to say tonight what I think is necessary. This is not an appropriate time. When I think the time is appropriate, I do not think I will say, I will do.." (applause).

Exchange Controls

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 1

[Article by Jerry Johnson]

[Text] Prime Minister George Chambers said yesterday that, in spite of marked improvement in the country's balance of payments, now is not the time to relax exchange controls.

"What is required now that we have brought the external accounts under control is the adoption of measures to stimulate economic activity, particularly investment from which new employment and sizeable export earnings will result," the Prime Minister told members of the Chamber of Industry and Commerce at their annual general meeting at the Trinidad Hilton Ballroom.

Len Hackshaw was re-elected to serve a third and final term as President, while Michael Williams was asked to hold the post of 1st vice-president.

Mr. Chambers said that because of the improvement in the balance of payments and particularly the gains on visible trade, there have been calls for the removal of the EC-O.

The expectation seems to be that this would result in further improvements. But such expectation, Mr. Chambers noted, does not take into account the fact that the gains achieved reflects compression of imports.

Until export earnings increase, the country cannot afford indiscriminate expenditure on imports, Mr. Chambers said.

Buy at Home

"In this connection, let me emphasise once more that uppermost in the Government's mind when taking the decision to adjust the exchange rate is the need to increase our capacity to earn foreign exchange," Mr. Chambers said.

There is a perceptible change in outlook in favour of entering international markets, Mr. Chambers said, and that reinforced by modern plant put in place in recent years, the country shall enjoy significate benefits in time.

For now, Trinidad and Tobago must proceed with caution because of the uncertainty of oil prices, Mr Chambers advised.

He saw a role for members of the Chamber in the national effort to increase exports. The Prime Minister advised them to use their merchandising and marketing skills in the quest for international markets.

"In the public perception, what you have done traditionally is buy abroad and sell at home, but what the times require is that you also buy at home and sell abroad," Mr. Chambers suggested.

The Prime Minister told the Chamber that Government adopted a dual exchange rate to continue to benefit from a more favourable exchange, while holding the cost of energy, and, by the implication, transportation, at existing levels.

Yet there had been reports that many items on the lower tier had been raised, Mr. Chambers disclosed. He said the Government continued to see no case for price increases on this range of goods and services, especially with talk about slow sales and high inventories in 1985.

"You, the members of the business community, have a responsibility to limit price increases in recognition of the benefits of Government's action...as well as your contribution to contain costs in support of the export effort," Mr Chambers told his audience.

But he advised the Chamber against using retrenchment as a means of ensuring cost effectiveness.

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TRINIDAD AND TOBAGO

NAR'S ROBINSON HITS CHAMBERS' CHARGES, 1986 BUDGET

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 3

[Text] WHETHER Political Leader of the National Alliance for Reconstruction (NAR) A.N.R. Robinson was expelled or resigned from the ruling People's National Movement (PNM) is not the most important issue facing the country today, Mr. Robinson stressed yesterday.

Speaking at a news briefing, Mr. Robinson, who said he was contemplating legal action against Prime Minister George Chambers for saying the PNM had expelled him in 1971, emphasised:

"It is indeed a pity that in the midst of a deteriorating economic situation, increasing chaos in the Government finance, the collapse of a growing number of non-bank financial institutions and mounting frustrations in all sections of the society, Mr. Chambers could find the time for his own brand of petty politics.

"I would have dismissed Mr. Chambers's allegations with the contempt they deserve. However, I have a duty to expose them to the population for what they are — the false mischievous assertions of a drowning man grasping at straws."

Avoid Legal Action

Mr. Robinson, who read from documents to back his contention that he resigned from the party of which he was Deputy Political Leader in 1970, produced copies of two letters: one dated October 2, 1970, the other March 19, 1971, both addressed to the Speaker of the House of Representatives, indicating he had resigned from the PNM on October 2, 1970 and from the House on March 19, 1971.

Noting that Mr. Chambers had referred to him as "Mr. X" on the Point Fortin leg of his meet-the-party tour at which Mr Chambers claimed the PNM expelled him in September 1971, Mr. Robinson said the Prime Minister did so to avoid legal action.

"The resolution to which Mr. Chambers refers as purporting to expel me after I had left the PNM was absurd.

Dirty Tricks

"It violated their own regulations. It was a hoax on the population and a face-saving device — one of their dirty tricks."

He said Mr. Chambers' preoccupation with a "certain Mr. X" and his (Robinson's) resignation from the PNM 16 years ago were essentially trivia when compared with the economic and financial disaster facing Trinidad and Tobago.

He quoted examples such as the over-estimated revenue expected in 1986 of at least one billion dollars after devaluation: Mr. Chambers himself admitting to a financial gap which was to be financed partly by the "devaluation windfall." Now that oil prices had gone into a "free for all" situation, it was obvious that both shortfall in the estimates identified by Senator Alwin Chow and the Prime Minister's financing gap had increased enormously.

"In other words, the 1986 Budget is now so unbalanced as to be irrelevant to our present circumstances and the Ministry of Finance must be working out a completely different set of figures from those presented last December.

Revised Budget

"He should find the courage to go back to Parliament and bring in a revised Budget based on realistic estimates and there is also the question of the public debt.

"What about ISCOTT which must pay its European experts? Their bill has also gone up by more than 50 per cent, and like pan, still rising.

"I cite these examples to show you, gentlemen, how dangerous to the country is this game of political trivia that the Prime Minister is playing. I beg you not to be distracted from pursuing information and issues vital to our survival as a nation.

"Not to be side-tracked into non-issues, nor diverted by irrelevant bacchanal deliberately created to hide the fact that this country is in trouble — deep trouble and those in charge have no idea what to do about it."

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PANDAY QUERIES HOUSE FOR OFFICIALS NAMED IN DRUGS REPORT

Port-of-Spain TRINIDAD GUARDIAN in English 25 Mar 86 p 1

[Text] Are the names of Government Ministers mentioned in the top secret report on the illegal drug trade in Trinidad and Tobago?

This is one of the questions filed with the Clerk of the House of Representatives by Opposition Leader Basdeo Panday for oral answer from Attorney General and Minister for Legal Affairs Senator Russell Martineau.

If the answer is "yes," Mr. Panday wants the Attorney General to give the names.

Another question on the same matter seeks to ascertain under what authority and for what reason the Attorney General passed on to a legal practitioner (Desmond Allum) in private practice the report of the team headed by retired Appeal Court Judge Garvin Scott.

"Why has the Honourable Attorney General by-passed, the Director of Public Prosecutions, the constitutional and lawful authority for taking action on the said report?

"Does the Honourable Attorney General intend to make a copy of the report available to members of Parliament?"

Query on Rogers

To Prime Minister and Minister of Finance George Chambers, Mr. Panday had asked the following:

"Would the Honourable Prime Minister state on how many occasions the Member for Point Fortin Cyril Rogers (Deputy Speaker) has been accommodated at the Hilton Hotel or any other hotel in Trinidad at public expense from January 1, 1981 to date?

"What was the total expenditure incurred from public funds for the said accommodation?"

Mr. Panday has also asked Mr. Chambers to say what was the total cost to the Treasury and/or public funds of his trip to China, India and the Far East last year, giving details of transport, accommodation, etc. And, what gifts did he present, and receive from foreign governments and other sources on the 1985 Far East trip; give their costs and what became of them.

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TRINIDAD AND TOBAGO

BRIEFS

YOUTHS TO PRC--Three young people from Trinidad and Tobago will be visiting the People's Republic of China in 1987. So said Minister of Sports, Culture and Youth Affairs Muriel Donawa-McDavidson at her office yesterday, when a three-man delegation from the All China Youth Federation paid her a courtesy call. Donawa-McDavidson said her Ministry will "immediately" begin working towards the visit. The Trinidad youths she said, would observe the Chinese youth programmes but particularly the sporting activities. Chinese youths are also expected to visit these shores next year. Li Gang, a member of the delegation told the Minister yesterday about the Federation which looks after the interests of the 310 million youths of China. [Excerpt] [Port-of-Spain EXPRESS in English 25 Mar 86 p 40] /9274

YOUTH COUNCIL-PNM TIE--Claude Boyce, president of the National Youth Council (NYC), yesterday reiterated his loyalty to the People's National Movement (PNM) of which he is a member, and to Prime Minister George Chambers. Mr. Boyce said he was making his position clear in the light of reaction to the NYC's statement published in the "Guardian" on Tuesday--that the NYC would not meet with the visiting three-man Chinese youth mission. "As the umbrella organisation for youth groups in the country, the NYC ought to have been asked to make an input into the planning of the visit. This was not done," the statement said in part. Mr Boyce said yesterday a lot of people were "uptight" over the situation, but the NYC took a "principled stand" which he fully supported. "I have no intention of leading an organisation that is being treated that way. I am the president now, but there will be future Presidents. The way the thing was handled showed lack of respect for young people," said Mr. Boyce, who insisted that despite what had happened he remained loyal to the PNM. He would be attending Sunday's convention, he said. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 3] /9274

NAR REGISTRATION DRIVE--National Alliance for Reconstruction (NAR) is stepping up its electoral registration update campaign. It has reminded constituency groups that their completed work on the latest annual list of electors prepared by the Elections and Boundaries Commission must be submitted to NAR's Port-of-Spain office, 10 Albion Street, as soon as possible. This is required to assist the Commission in their verification exercise. Meanwhile the commission's Public Relations Officer, Harold Gajadhar, announced the setting up of a telephone "hotlines" to ascertain the status of a person's registration.

The numbers people can call from 10 a.m. to 1 p.m. and 2 p.m. to 3.30 p.m., Monday to Friday, are 627-0745 or 627-1516. This service goes up to April 30. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 3] /9274

SUGAR LOSSES--Port-of-Spain, 13 Apr (CANA)--Losses in Trinidad and Tobago's troubled sugar industry have mounted, with nearly 25,000 tonnes of cane being damaged by fire last week, according to the state-run sugar company, Caroni 1975 Limited. Production in the industry, hit by a work-to-rule by the 8,000 sugar workers since 6 February, is also trailing targets, according to the company. Caroni said it is 9,724 tonnes of sugar behind its targets with seven weeks of harvesting left. Caroni also claimed that over the last week malicious fires in central Trinidad led to the damage of 24,659 tonnes of cane on 1,029.34 acres. This was said to take the total damaged to 317,284 tonnes. Caroni is facing industrial action over an appeal it lodged in the High Court against an industrial court wage award to sugar workers. Caroni says it cannot afford to pay the 147 million dollars (one TT dollar; 27 U.S. cents) involved. Sugar workers say they will maintain the work-to-rule until the appeal is withdrawn. [Text] [Bridgetown CANA in English 1741 GMT 3 Apr 86 FL] /9274

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